

Maclean's

EASTERN
EUROPE'S
POISONOUS CLIMATE

The Governor's Gamble

■ Central Bank Chief
John Crow Says
Higher-Cost Loans
Are Essential

■ But Has He
Started A
Recession?



Bank Of Canada
Governor John W. Crow



From 0 to what seems to be the problem officer in 8.3 seconds.

Introducing the new Corrado from Volkswagen.

A car so fast and well-equipped that speed limits are reached in the blink of an eye.

Blink twice and you pass them.

Not that we recommend you do, of course. But the temptation will be powerful.

After all, this is an automobile whose heart is a 166-horsepower, supercharged engine.

Whose top track speed hovers at 225 kilometres per hour.

Whose considerable power and torque are always at your fingertips, even at lower engine speeds. (Thank the supercharger's singular

efficiency.) And as befits a car that earned its wings on the autobahn, Corrado's behaviour is unwavering.

A rear spoiler automatically extends at higher speeds to reduce rear axle lift.

Even on faster corners it's beautifully balanced.

Of course, this doesn't make it easier to resist challenging the speed limit.

But resist you must.

Unless, of course, you have access to a nearby race track. Then you have our permission to fly.



Corrado

TYLENOL*

www.tylenol.ca

Trust it. Your doctor does.



Today, 9 out of 10 doctors recommend
TYLENOL*. As an effective and safe pain
reliever, TYLENOL* is in a class by itself.

THE PAIN RELIEVER RECOMMENDED MOST BY DOCTORS.

*Trademark ©McNeil Consumer Products Company

Maclean's

CANADA'S WEEKLY NEWSMAGAZINE MAY 7 1990 VOL. 183 NO. 17

CONTENTS

4 EDITORIAL

6 LETTERS/PASSAGES

12 OPENING NOTES

CTV News looks at other time slots; Don Cherry bridges his jets; Colditz Castle may get a facelift; a Cold War system tracks drug smuggling; chickens at 24 Sussex Drive; about sluff for ancient Greece; Margaret Thatcher defends her account; Elton Caplan blames a draft through a blackout.

15 COLUMN/CHARLES GORDON

16 CANADA

Another C-18 crashes; tension among Mohawk Indians approaches open warfare on the Canada-U.S. border.

24 WORLD

Yolande Chameroy takes over Nicaragua; Ethiopian leaders accuse the West; Japan dines for the release of more hostages in Lebanon; Christian leaders protest Jewish settlers; a prophet's downward defeat.

36 BUSINESS

Troubles tarnish the once-bright image of Rydco-Quebec.

38 BUSINESS WATCH/PETER C. NEWMAN

40 COVER

52 PEOPLE

56 SPORTS WATCH/FRAYNE

In praise of masked carnivals.

59 HEALTH

Paul Wynne gives a face to AIDS.

63 FILMS

Last Exit to Brooklyn; Hubert Sully Jr.'s dark classic; reaches the big screen.

64 ART

A major Salvador Dalí retrospective opens in Montreal.

66 BOOKS

Albie Marmor's latest collection begins with compassion and humor.

68 FOTHERINGHAM

COVER

THE GOVERNOR'S GAMBLE

Bank of Canada governor John Crow is determined to achieve zero inflation—and he is using the bank's broad-setting interest rate to reach that goal. He has raised interest rates 11 times in 1990, from a low of 12.14 per cent last January to 13.50 per cent last week, but inflation remains unchanged. Critics say Crow's pursuit has pushed Canada to the brink of recession. — 40

ENVIRONMENT

THE COST OF NEGLECT

In some parts of Eastern Europe, highly polluted water and air are blamed for deformed babies and a wide variety of illnesses among adults. Indeed, after decades of Communist rule, large areas of the Soviet Union and Eastern Europe have been reduced to ecological wastelands. — 54



CANADA

A COMEBACK PLAN

Since their 1988 election victory, the federal Conservatives have watched their support plummet to 16 per cent of decided voters—the lowest standing for a governing party in Canadian polling history. But Tories continue to have faith in Prime Minister Brian Mulroney's ability to stage a comeback. — 16



COVER PHOTO BY ANDY PHILLIPS

Continued across the back page under 138A

The Politics Of Pain

There is no Aton in living sometimes among—especially if one is personally owed it—
—John Maynard Keynes, *Essays in Biography*, 1933

For millions of Canadians, there is a clear sense that someone in authority is doing something profoundly wrong, or else why is the relentless skyrocketing of interest rates driving them to the brink of financial ruin? The culprit, however, is not necessarily "the government." The explanation offered by Bank of Canada governor John Crow, reflecting the position taken by Brian Mulroney's Conservative government, says that high interest rates are necessary to prevent runaway inflation. That is a difficult explanation to accept. Inflation rates of five to six per cent have traditionally not been a cause for alarm, particularly during a period when the economy has already begun to cool off. A true reading of the central bank's—and the government's—real concern arises at least as much from political forces as from economic factors.

There are growing indications that foreign investors are increasingly fearful of placing large amounts of capital in Canada. Confusion over the significance of the Meech Lake constitutional accord increased speculation about the possibility of Quebec's seceding as an independent state and talk of Canada's breaking up are all contributing to that concern. As a result, the government has little choice other than to keep interest rates painfully high—and, indeed, doubling—just to maintain foreign investment and attract foreign funds to meet payments on its debt. Real interest rates have been outstripping the rate of growth in gross domestic product, automatically increasing the national debt because the government had to borrow to cover interest payments on its existing debt. The uncertainty was evident in January, when a slight drop in the bank

rate swiftly drove the Canadian dollar down as investors began pulling back their funds.

The lesson from that experience is that Canada's current image abroad does not allow Ottawa the flexibility to start lowering rates now. If it tried to do so, the dollar's value would plummet as investors moved their funds to other currencies in other countries because the risk as Canada would no longer be offset by the interest rates available. As the dollar fell, imported products would become almost instantly more expensive, creating a truly inflationary explosion. Meanwhile, all Canadians are trapped in a classic catch-22 dilemma: each time the government tinkers up interest rates to maintain the inflow of foreign money, it obviously incurs borrowing for Canadians more expensive, and that, in itself, creates inflation.

It is impossible for the Mulroney government, or any other, to openly acknowledge a loss of confidence in the political economy. As a result, Ottawa is in the unenviable position of having to hold out the threat of inflation as the explanation for a level of interest rates that, even a couple of years ago, would have been unthinkable.

In fact, there is little that the government or Canadians in general can do now except hope that the Meech Lake dispute is resolved by Ottawa and the provinces by the June 23 deadline and that, in the aftermath, speculation about breaking up soon gives way to reconciliation and renewed confidence. If the constitutional impasse is not broken, Canadians will indeed have to ask whether the cost of maintaining the country they love is realistic, or even possible. In either case, they should soon be able to determine what was wrong—and why. That may be the most painful process of all.

Rain Lloyd

Assistant to the Managing Editor: Chris Joynton
Assistant to the Editor: Suzanne Thomas
Assignment Desk: Lynn Beaupre
Editorial Assistants: Carole Langford, Joseph-Pierre
Corriveau, Christine, Barbara Macdonald,
Alexandra, Susan-Jeanne, Virginia, Dale (Editor of the
Newspaper's Weekly), Suzanne Beaupre,
Anastasia, Jon Butler
Artists: Lisa Dale, Andrea, Suzanne Macdonald
Reprints: Barbara Gunning, Laura, Betty, Louise, Barbara,
Bert, Paula, Suzanne, Barbara, Peter, Linda,
Cory, Carl, Roger, Chris, David, Elizabeth,
Joan, Michael, Anne, Sandra, Bruce, Bing,
Robert, Carl, Susan, Margaret, Wang, Hong,
John, Michael, Jonathan, Bill, Bob
Photo Editor: Peter Hoag
Staff Photographer: Brian White
Photo Department: Chris Joynton, Suzanne Thomas, Peter
Hoag, Margaret, Catherine, Michael, William, Neil,
Michael, Peter, John
Art Department: Claude Gauthier, John, Susan, Vincent
Art Director: Tom MacDonagh (Creative)
Design/Production (Senior Designers): Jon, Lillian, Margaret
Production Supervisor: Barbara Macdonald
Production Assistant: Susan Macdonald
Video Computers: Buffy Barnes,
Amy Wright
Assistant to the Editor: Joe D'Amico

Publisher: James H. Macdonald

“Some people can succeed without talking. For the rest, there's NovAtel.”

Today success depends on being able to talk to anyone, anytime, anywhere.

We can help.

A NovAtel cellular phone in your car or briefcase lets you talk on your terms. To use your time better, increase productivity—even increase profits.

Talk your way to success...

Over 300,000 Canadians are already enjoying success with cellular. And one in four chose NovAtel, Canada's only maker of cellular phones.

Why? Because to us talking is more than simple communication. It's managing, delegating, deciding and directing.

At NovAtel, cellular is all we do, so we do it well. Our phones are built to a higher standard of quality. And we offer a wide selection, all with convenient features at affordable prices.

Call us at 1-800-NOVATEL for our free brochure, "So You Want To Talk Cellular" and the name of your nearest dealer.

"It's time we talked."

NovAtel
Cellular Telephones



Maclean's

CANADA'S WEEKLY NEWSMAGAZINE

EDITOR: Paul Davis

Managing Editor: Robert Lewis

Executive Editors: Carl Mathew, John Baker

Assistant Managing Editors: Michael Beaudry, Robert Macdonald

Editorial Assistant: Sandra Chisholm

Senior Contributing Editor: Neil A. Munro

Section Editors: David Scott

Section Editors: Chris Scott (Editorial), Neil A. Munro (Editorial)

Section Editor: David Scott (Editorial), Neil A. Munro (Editorial)

Section Editor: David Scott (Editorial), Neil A. Munro (Editorial)

Section Editor: David Scott (Editorial), Neil A. Munro (Editorial)

Section Editor: David Scott (Editorial), Neil A. Munro (Editorial)

Section Editor: David Scott (Editorial), Neil A. Munro (Editorial)

Section Editor: David Scott (Editorial), Neil A. Munro (Editorial)

Section Editor: David Scott (Editorial), Neil A. Munro (Editorial)

Section Editor: David Scott (Editorial), Neil A. Munro (Editorial)

Section Editor: David Scott (Editorial), Neil A. Munro (Editorial)

LETTERS

FIGHTING FOR HUMAN DIGNITY

I was surprised that you failed to mention that many students in Madrid, Ont., recently opposed the white supremacist rally last July ("Bigotry's new face," *Cover*, April 16). The students, the newspapers and the churches all did their part to voice their opposition to this display of prejudice and ignorance. The voices of recent attitudes can be assured that they are not alone in their struggle for human dignity.

*Rev. Edward McEl,
Madrid, Ont.*



Soviet Jews: 'they are not alone'

In "The Jews" *Cover*, April 16, you seem a little naive in stating that Soviet "government authorities now publicly condemn anti-Semitic acts." That government has 70 years of civil totalitarianism, including the Jews, the opportunity to grow and develop as normal communities. Its policies have permitted inbred antisemitism to fester and even increase, as recent developments in Armenia, Azerbaijan and elsewhere have shown. Whatever it does now can only be too little, too late.

*Barry Deles,
Toronto*

I am unable to understand how everyone who writes about anti-Semitism starts the issue and pleads inability to explain it. The Jew knows large in the Christian psyche because for some 17 centuries the Church preached its theology by heaping calumny and lies on the collectivity of Jews. Christian missions absorbed this indoctrination and it became part of their thinking. At least one Jewish rabbi was honest enough to admit the Church's guilt. "We realize now that many, many centuries of blindness have dimmed our eyes, so that we no longer see the beauty of Thy chosen people and no longer recognize in their faces the features of our first-born brother . . . Forgive us the name which we unjustly laid on the name of the Jews."

*Naim S. Malikah,
Montreal*

I find it ironic that the self-proclaimed "white supremacist" members of the human race lack the very essence of human superiority: reason.

*Clare Hill,
Toronto*

PUBLIC HAS A RIGHT TO KNOW

As one of the many Canadians still wondering what the Mosch Lake accord is about, I agree with George Buzs that members of the news media are generally uninterested in informing the public. ("The fear of news not being seen," *Media Watch*, March 26) I will not believe that Buzs actually

gives a damn about what he is reporting, however, until he uses his columns, or finds some way, to tell us what the Mosch Lake accord is about.

*Thor Thorsteinson,
Mexico, Mex.*

lagnon with George Buzs when he says that the media fail to inform Canadians. "Two returns of Canada" (*Cover*, April 22) illustrates Buzs' point: in over five columns, there is perhaps one of substance and two of pertinent comment. If anything, the other circles are even more sparse of substance. It is frustrating to read and hear these thousands of words "full of sound and fury, signifying nothing," when one is trying to make up his mind about such vital matters as the civil and Mosch.

*Hugh Matheson,
Burnaby, B.C.*

A DISTURBING LACK OF BELIEF

Diane Francis's column "Economic worry and the nature of risk" (April 22) summarizes Canada's yet-to-be greatest economic war. Virtually the only investors willing to put up "risk capital" in Canada are foreigners or governments. There is no shortage of funds, people or new technologies to invest in here. Unfortunately, there is a severe shortage of investors willing to invest or believe.

*Mark Thompson,
Toronto*

Letters are edited and may be condensed. Writers should attach names, address and telephone number. Mail comments direct to: Letters to the Editor, *Starline*, a magazine, *Starline* Magazine, 777 Bay St., Toronto, Ont. M5W 1A2.

PASSAGES

PLEADED: Michael Milken, 43, who transformed junk bonds into the financial engine that drove numerous multi-billion-dollar corporate takeovers, guilty to six charges of fraud in return for the U.S. government's dropping 40 other charges, including the more serious charge of insider trading, in a New York City federal district court. He also agreed to pay \$496 million in fines, a record monetary penalty for an individual. Milken headed the junk-bond division of the now-defunct securities firm Drexel Burnham Lambert Inc., which had earlier paid \$154 million in fines to settle similar charges. He faces a maximum penalty based on 26 years when he is sentenced on Oct. 1.



DIRT: Legendary tenor saxophonist Dexter Gordon, 67, who received an Academy Award nomination for his role as an ex-convict in the 1946 movie *Shower of Stars*, at today's funeral, at a Philadelphia hospital. In the forefront of the bebop movement, Gordon came to prominence in the 1940s with the Billy Eckstath orchestra that also included Dizzy Gillespie, Charlie Parker and Sarah Vaughan.

DIRT: Prominent businessman Edward Bovey, 74, who gave much of his time to promoting Canadian cultural institutions, of a heart attack, at his sleep at his Toronto home. An officer in the Order of Canada and former chairman of Northern Energy Resources Ltd., Bovey chaired a 1985 federal task force on funding of the arts in Canada and a 1984 Ontario commission on the

future of universities. He was chairman of the board of Telefilm Canada and an active director of several business corporations and cultural institutions.

DIRT: Movie actress Paulette Goddard, 76, whose four husbands included Charlie Chaplin—he made her a star in his 1936 Modern Times—actor Burgess Meredith and author Erich Maria Remarque, of heart failure, at her home in southern Switzerland.

DIRT: Charles (Chazzy) Woodward, 64, who ran Woodward's Ltd., Western Canada's largest department store chain, for 33 years of unbroken success, at a Vancouver hospital. In 1968, Woodward resigned as chief executive of the chain founded by his grandfather in 1922.

You promised yourself
you would never buy a boxy,
boring, totally
utilitarian, "drives like a bus"
compromise.

That's okay, we promise ourselves we'd never make one.



Introducing the new Toyota Previa.

It has everything. Clever design, bright ideas, rich tastes.

It also has exactly what it takes to lap up the most exciting roads.

Because when we made the new Toyota Previa, we made it without

any compromises along the way.

After all, you should be able to carry a lot of people and a lot of things without leaving your standards behind.

The new Toyota Previa. Something better. We promise.



 **TOYOTA**

The promise of something better.

THE BEGINNINGS OF A LIGHT ROMANCE.



New Coffee-mate Light: Fifty percent less fat, and a new lighter taste.

For a free sample, call white supplies lux. 1-800-268-6099

LETTERS

CANADIAN DISUNITY

I cannot help but be moved and frightened by what Merch Lake has done to our nation ("Two visions of Canada," Cover, April 28). I feel fortunate to have returned to Quebec and find the language, culture and people every bit as exciting as anywhere in the world. Yes, one might say I found it unique, even distinct. I do not believe that anyone involved with the writing of the Merch Lake accord ever expected one word—"unprecedented"—to mean that the nation could be held for ransom. Surely, there must be some middle ground between a new Constitution and a Quebec-less Canada.

Dr. Luigi A. Salvo,
Roussillon

I cannot believe that all the people of Quebec are determined to leave Canada and are going to immediately start making plans to that end in June 24. I feel that your magazine is being irresponsible in publishing headlines about the breakup of the country. This leads to assumptions that this is the truth, carved in stone, which does a great disservice to the country.

Sylvie Elime,
Bon Accord, Alta.

I am a Canadian student attending school in the United States. I constantly hunger for news about Canada. However, what I have been reading lately has raised some serious questions in my mind. I have begun to question what it means to be Canadian. My home is Churchill, My home is Grand Falls. My home is Notre Dame du Bon Conseil. *Je suis canadienne, et je suis entre deux de mes horizons—de deux pays.*

Jeanette Seston,
Madison, Wis.

The next time Prime Minister Mulroney comes up with another great vision of Canada, I wish he would just keep it to himself!

Yolene Potho,
Lévis, Que.

Perhaps it is time to define bilingualism and Merch Lake is the cause of our current crisis in national unity, rather than attempts at solutions. Bilingualism was perpetrated upon an unwilling country for the avowed and laudable purpose of reconciling Quebec. While the course created resentment in the rest of Canada, Quebec failed to be reconciled for its own reasons. Bilingualism must be abandoned, not to reject Quebec, but because it is a failed financial alibi. Merch Lake must also face the same fate, because it is apparent that the country is once again tearing itself apart over an issue predetermined to fail in its intended goal.

Buffy Lelievre,
Goudreau, Sask.

Alex, the sports enthusiast.



Service provided by Sportsline Inc., Canadian Values Inc., On-Line Values Productions

Work Smart. Play Smart.

Check-out today's sports scores. Check-out tomorrow's sports happenings. Tune in for up to the minute sports reports or interesting sports facts. It's like having the sports section at your fingertips. All for a special introductory price if you order ALEX now!

For information, or to
sign up call 350-ALEX
or send this coupon to:

Bell Canada
P.O. Box 2500, Postal Station Q,
Toronto, Ontario
M4T 2V5

Mr ☐ Mrs ☐ Ms ☐

Address _____

City _____

Prov _____

Postal Code _____

Res. tel. _____

Bus. tel. or contact no. _____

☐ Yes, I would like to sign up.

☐ Yes, I would like more information.

I am interested in renting an ALEX terminal _____

or receiving the introductory software package for my PC. _____

*Regular rental fee of \$7.95 per month for ALEX terminal not applicable for first two months. However regular usage rates will apply thereafter to the terminal (not calling card only).

Bell

Answering your call



HOTEL INTER-CONTINENTAL TORONTO

Your clients demand superb accommodations and incomparable service united in perfect harmony.

Hotel Inter-Continental Toronto meets that demand. Ideally situated at 220 Bloor Street West in the fashionable Yorkville area, amidst museums, galleries and boutiques.



Just minutes from the business and financial district. The hotel has 213 elegant guest rooms and suites, a complete fitness centre and *Signatures*, one of the city's finest restaurants.

For reservations or information call (416) 960-5200 or toll-free (800) 327-0200.

**INTER-CONTINENTAL
HOTELS**

With more than 100 hotels worldwide.

LETTERS

It is time that our federal and provincial governments recognized that the Meesh Lake deal is dead. They could then turn their attention to dealing with the issues that seriously threaten the future of Canada, such as deficit reduction, the economic restructuring of social programs and meaningful tax reform.

Lindsay Ward,
Windsor

Our leaders have, in their zeal to win their argument, forgotten that their main job is to maintain the integrity of a country of enormous extent and many parts, and to help it evolve to meet modern needs. It is not for a few liberty-minded people to decide if Canada should be broken up. That is a decision for all Canadians to make. A great many of us will say, "Keep Canada together."

Tom Rankin,
Hawthorn

Promiscuously minded people created Meesh Lake and provincially minded people support it. They like the chance to better themselves at the expense of the country as a whole.

Gary J. Kohl,
Toronto

JUSTIFYING SELF-DEFENCE

Barbara Amiel once again grabs the opportunity to both belittle and gey men ("A missing lesson for the Iron Lady," Column, April 16). To illustrate an inability of local councils to share fiscal responsibility, she charges that one provided funds for a gay self-defence seminar. Amiel does not consider that the council may have been responding to a very real problem. Lesbians and gay men continue to be the targets of brutal attacks. Although self-defence courses will not eliminate the physical expression of homophobia, governments can at least set a moral tone by assisting with support.

Bruce Mahab,
Toronto

BEMUSED BY BUREAUCRACY

I am most bemused by the contention that bureaucratic obstacles prevented Lucien Bouchard and his government from putting forth at this time strong proposals to improve and protect the environment ("Green politics," Column, April 16). This same government has had no trouble in accomplishing its very expensive and sweeping agenda of implementing the Free Trade Agreement and cutting back funding to women's and native organizations, post-secondary education, medicine and the CBC.

Cathy Helton,
Windsor

Alex, the movie critic.



Screens provided by Canadian Video Inc.

Work Smart. Play Smart.

Alex is news and reviews of plays and many other dramatic events. Find out what films are playing at the theatre or what's "in" at your local video store. And, much more. It's like having an entertainment network in your home. All for a special introductory offer if you order ALEX now.*

For information, or to
sign up call 350-ALEX
or send this coupon:

Bell Canada
PO Box 2506, Postal Station Q
Toronto, Ontario
M1T 2V5

Mr ☐ Mrs ☐ Ms ☐

Address _____

City _____

Prov _____

Postal Code _____

Res tel _____

Bus tel or contact tel _____

☐ Yes, I would like to sign up.

☐ Yes, I would like more information.

I am interested in renting an ALEX terminal _____

or receiving the introductory software package for my PC _____

*Regular rental fee of \$19.95 per month for ALEX terminal fee applicable for first two months. Discounted regular rate will apply. Available only to homes with cable service only.

Bell
Answering your call

OPENING NOTES

Elinor Caplan leads the way, Don Cherry hedges his bets, and Margaret Thatcher defends her accent

TRACKING THE NEWS

News at 11 is still the hallmark of city tv's weeknight national newscast, even though CBC's *The National* has enjoyed healthy ratings since it switched to a 1000 p.m. slot in 1993. According to several city News staff members, however, network executives have considered moving the nightly newscast to new time slots, among them 5:30, 6:00, 7:00, 10:00 and 10:30. But the *Kitchikoff*, city's vice-president of news, features and information programming, denied that the network was planning to shift the newscast, although he did confirm that such a move has been considered. Other rumored changes would split the anchor-desk responsibilities between incumbent Lloyd Robertson in Toronto and a colleague in British Columbia—perhaps highly rated local newscaster Tony Parsons. That would shift some network production from Toronto to the Vancouver-area studios of affiliate station cbc. But Parsons said that he had not been asked to become a co-anchor. TV news junkies need not reprogram their viewing habits—for the moment, anyway.

Robust reports of a new time slot and shared duties



A soft-drink toast to victory on ice

Hockey commentator Don Cherry is new starting in two soft-drink commercials that have aired regularly during English-language TV broadcasts of the 1996 playoffs. In those 30-second spots, Cherry promotes a contest offering \$4 million worth of prizes to the Pepsi drinker who might be lucky enough to find bottle-cap toppers imprinted with the name of the Stanley Cup winner. The commercials, which were filmed in mid-February before the playoffs, initially mentioned the Boston Bruins and Calgary Flames in teams that might win the final series. But a cautious Cherry suggested shooting alternative versions that named other contenders. As a result, Calgary fans had to endure another humiliation when the de-

feating champion Flames made an early exit from the playoffs, the substance of new contests the soft-drinking Edmonton Oilers.



Cherry and his dog, Blue: film of other contenders

WEAPONS FROM ANOTHER WAR

International drug smugglers may soon regret the thawing of the Cold War. Last week, U.S. air force technicians near Bangor, Me., switched on a radar system that can sweep four million square miles of ocean. The \$790-million system, originally designed to detect Soviet bombers, covers an area from Iceland to Cuba. The radar can detect all aircraft within a 1,800-mile radius and, through computer linkups, focus on planes without filed flight plans—the preferred form of travel for frequent flyers in the drug trade.

From prison cells to luxury suites

During the Second World War, Goldie Castle represented of the ultimate challenge for imprisoned Allied servicemen. That cliff-top prison was reserved for incarcerated escapees from other prisoner-of-war camps, and only those who successfully escaped its tight security. Since 1945, Goldie has served as a mental hospital and remained largely closed to visitors. Now, however, the East German government, eyeing the tourist potential of a site that is only 33 km southeast of the bustling city of Leipzig, is considering a plan to convert the castle into a luxury hotel. Offering escapees reactions with trepidation, no doubt.



Brian and Milla Maloney: implying that the PM approved of the chicken

COOKING UP AN ENDORSEMENT

The newspaper ad appeared in recent weeks and duly implied prime ministerial approval for a particular brand of poultry. Over a picture of a plucked chicken, the caption read: "What brand of chicken do they eat at 24 Sussex Drive?" But, according to Bruce MacDonald of the Ryan MacDonald Edwards advertising agency, the ad for Toronto-based Prime Poultry Products was cooked to avoid stating that Brian Maloney and his family actually eat Prime chicken. Indeed, MacDonald said that he did not know

what kind of chicken the Prime Minister's family favors. Added MacDonald: "We posed it as a question and, anyway, 24 Sussex is just a street address which happens to be the home of the Prime Minister." A Maloney spokesman declined to say if Prime brand chicken had ever been on the menu at 24 Sussex Drive, saying that the family menu was a personal matter. As a result, whether it was the message or the poultry that first made the 24 Sussex Drive connection remains a chicken-and-egg question.

FIGHTING OVER THE GLORY THAT WAS GREECE

Premier Greeks say that they are outraged on an affront to their country's honor: the short shrift that an upcoming book about the history of Europe plans to elate in the glorification of ancient Greece. In the still unedited book, which has been partly financed by the European Community and is scheduled for release this fall, French historian Jean-Baptiste Dorville mentions Greece only once, in a part of one chapter about fifth-century BC Athens—which must share that space with the rise of Rome. As a result, an Athens publisher has offered to produce a Greek edition of the book—on condition that it has an added chapter outlining ancient Greece's contributions to Western civilization. Dorville and his publisher are now considering that proffered gift from the Greeks.

Manners of speech

Margaret Thatcher snipped back recently when a *Lancashire-born* reporter suggested that the British Prime Minister



Thatcher: regional accents

ter must have refined a regional accent when she attended Oxford University in the 1940s. Said Thatcher: "I most certainly did not. Maybe the way you speak changes through life. I do not know." Thatcher said that her native *Lancashire* does not have a noticeable accent anyway—even if her critics detect a distinct chasm in many of her pronouncements.

Leading by example

She has publicly acknowledged her need to start shedding and exercising. And Ontario Health Minister Elinor Caplan took many positive steps toward a healthier lifestyle when she helped lead about 40 supporters down 33 flights of stairs at the Sutton Place Hotel in downtown Toronto. Caplan was wrapping up her annual Liberal party fund-raising event, which 200 guests had paid \$200 each to attend, when a city-wide blackout plagued that gathering—and 700,000 other Torontonians—into darkness last week. Undaunted, the minister assembled her guests and calmly embarked on a 15-minute trek from the Step 33 rooftop restaurant to the hotel lobby. According to wife Phil Polignea, Caplan's action made a noticeable impression on many who were there. The challenge now will be to continue using the stairs—when the elevators are working.

Caplan: plunging into exercise





Canada's unusual hearing problem

BY CHARLES GORDON

Canada is a very flexible land, and probably the only thing that could cause it to break up is the Americans talking about it.

Unfortunately, that's what's happening now. Americans are talking about Canada looking up and writing newspaper stories about it. A lot of them are talking about it all at once, enough of them to be noticed by Canadian wire services. The wire services write stories about what the Americans are writing stories about, and Canadian newspapers put the stories in the front page.

This is a country with an unusual hearing problem: that is, it hears too well, but only from a distance. It is the usual equivalent of bright citizens, but it is anything but sharp-eyed. Canadians have difficulty hearing to each other but let someone at another country whisper something about Canada and Canadians will hear it, repeat it and repeat it amongst themselves.

The fact that George Bush was in Canada only in April probably inspired it. You know how it is: a bunch of American reporters traveling with the President get off the plane and begin asking questions, such as "What is this place anyway?" Then, after the President has settled in for his nap, they venture out into the community to see if there is a cross word being loose about.

In Canada, there it is: the country's breaking up over North Lake.

Unsubstantiated as the Americans are about some of the subtleties of our public affairs, they do realize that some of the Canadians looking up over North Lake are just laughing hard.

There are also other Canadians who are genuinely concerned and the Americans have spotted them. Canada, said The Washington Post, "brings personally on the brink of a latter breakup."

That kind of statement gets our attention, and cover that the fact that in all likelihood several dozen nations are similarly personally interested in the Post's eye and that Canada is only one of them.

Some Americans see Canada's disunity as a way to attain a new and larger American Empire of the North

The Post ends on a solemn note. "Something important would surely be lost if Canada disappeared. But it would at last end the corrosive sparring over languages, and throughout Canada translation 26 million there seem to be a more cooperative world. Perhaps Scandinavia will turn out to be the model for the top half of this continent."

In a typically pragmatic American way, the Post looks ahead to what would come after the breakup of Canada. "That confuses Canadians with an alarming question. Is it better to live in a large country as a small set of Americans, by an overwhelming majority, but being a big one. So do Germans, evidently but takes very nearly two-thirds of the world's countries—nearly seven of the richest—have fewer than 10 million people, and nearly a third have fewer than one million."

An even more pessimistic American view is that of Patrick Buchanan, alt-rightist conservative thinker and former White House speech writer.

A hard look at a map of Canada—as large as the United States, with but a sixth of our population—suggests that, should the country come apart, America could pick up the pieces," Buchanan writes in The Washington Times this week.

There is nothing wrong with American dreaming of a republic that, by the year 2000, encompasses the Maritime and western provinces of Canada, the Yukon and Northwest Territories all the way to the Pole, and contains the world's largest island, Greenland (to be purchased from Denmark) giving the United States a business challenge of the Soviet Union under a constitution permitting all of its people freedom to realize all of their dreams.

Buchanan may not realize that Canadians—except Lake at once, in fact, permitted to realize all their dreams. Some Americans have difficulty recognizing that about other countries. However, what matters about his imperialist dream is that he wrote it, and that Canadian newspapers found space for it. Seriously, what matters about The Post's Journal's approach to the same subject is that the subject was approached by The Post's Journal, a newspaper with considerable influence among Canadian business people.

"Whatever form Quebec independence takes," a Journal columnist wrote, "it conjures up enormously complex negotiations at least a minimum period of instability and new leadership for U.S. policymakers and perhaps American businessmen."

If there is anything that should draw Canadians closer together, it is the knowledge that Americans are viewing our disunity as a possible headache for U.S. business and the cause of attacking a new and larger American Empire of the North.

But we probably won't draw together. What will happen instead is that the American focus on our troubles will confer a kind of warped legitimacy on those Canadians who say that the country is doomed. For this will put the cause of national disunity into the minds of many Canadians who had never thought about it before, one way or the other.

More and more Canadians will think that the threat must be real. Because they are talking about it in the United States. And it is a short step from talking about it as a real threat to perceiving it as inevitable.

It works that way with Canadian writers and musicians: movie stars and academics, if they are adored in Toronto, worshipped in Montreal, so what? But if they make it in the United States, there are taken seriously in Canada. Ask Alan Manis. Ask the members of the act, groups. Robert MacNeil, John Kenneth Galbraith and his book, now that the breakup of Canada has become a hot north-of-the-border, there is no stopping it here.

So there! Here's the key to keeping the country together: a continued in the state of the threat to it. Perhaps we should be attempting to convince the Americans, instead of our selves, that the nation will survive. Instead of testing the arms of Robert Bourassa and Claude Wells, the Prime Minister should be calling in The National "You Know And" should be showing The Tonight Show Johnny Carson with Canadians that their land is strong. They'll surely believe it.



Open & shut.

Two views of the future.

Jordan and Monzon are two years old. Their futures stretch ahead of them, as yet unshaped. But while one boy faces an easy path, the other will endure a more tortuous trail. Jordan is the lucky one. Living here in Canada his potential will have every opportunity to shine — his future is an open book. But Monzon is a child of the developing world. He faces deprivation, hopelessness and even death — a life that off

before it really even began. There shouldn't be a difference. There doesn't have to be. Your support through Foster Parents Plan can give a boy like Monzon an equal opportunity to shine. Less than a dollar a day can open closed doors to medical care, education, clean water and so much more. Please — won't you help one small child take his share of a bright tomorrow?

Call or write today.

CALL TOLL-FREE ANYTIME 1-(800)-268-7174

Information will be sent immediately.

FOSTER PARENTS PLAN OF CANADA
(the International Human Development Agency)
101 ST. CLAIR AVENUE WEST, TORONTO, CANADA M5V 1R6

I want to be a Foster Parent of a boy ☐ girl ☐ age ☐

country ☐ or where the need is greatest ☐

I estimate my first payment of \$207.50 Monthly ☐ \$50.00 Quarterly ☐

\$192.50 Semi-Annually ☐ \$324.00 Annually ☐

I can't become a Foster Parent right now. However, I estimate my contribution of \$ ☐

Address ☐ Please send me more information ☐ Tel. No. ☐

Mr. ☐ Mrs. ☐ Ms. ☐

City ☐ Province ☐ Code ☐

I wish communication with PLAN to be in English ☐ French ☐

PLAN operates in Bolivia, Bulgaria, Brazil, Cambodia, Dominican Republic, Ecuador, Egypt, El Salvador, Guatemala, Haiti, Honduras, India, Indonesia, Kenya, Korea, Laos, Malawi, Mali, Mexico, Mongolia, Nepal, Nicaragua, Pakistan, Philippines, Rwanda, Sierra Leone, Sri Lanka, the Sudan, Thailand, Togo and Zimbabwe.

PLAN is officially registered as a Canadian Charitable Organization by the federal government. All donations eligible for tax credits. ☐ Thank you!

We at Foster Parents Plan are proud of the handling of our funds. 87.2% of all contributions goes directly toward child and family material aid and services, with 7.1% used for administration costs, and 5.7% for promotion. We are non-profit, non-secular and non-political and we are officially registered as a Canadian Charitable Organization by the Federal Government (Reg. No. 6249816-99-33). Complete financial statements are available on request.



A COMEBACK PLAN

AT A RECORD LOW IN THE POLLS, THE MULRONEY TORIES PLOT A SCENARIO FOR WINNING THE NEXT ELECTION

As a lifelong member of the federal Conservative party, Joseph Stewart says that he knows better than most Canadians that politics can be a nerve-racking pursuit. Stewart, 53, a general owner in New Glasgow, N.S., recalled that he was expelled when the Tories won the 1984 general election after two nearly decades in opposition. Despondency followed when the party sank to third place in the opinion polls during 1987. Then, he was relieved when it captured a second successive majority in 1988. More recently, Tory popularity has ebbed again: a Gallup survey released April 19 gave the party a mere 16 per cent of decided voters, the lowest standing for a governing party since polling began in Canada almost half a century ago. Even so, Stewart said that he has faith in Prime Minister Brian Mulroney's ability to engineer a comeback. "If it were not for the experience of the first term, I would be damned worried," said Stewart, who joined the party when he was 34. "But our leader can put up a great fight when he has to, and I have no doubt that he will do it again."

Ironically, Stewart's sense of optimism appears to be widely shared among Tory loyalists, despite the party's record unpopularity among Canadians at large. Indeed, political analysts say it is significant that only two Tory MPs—Albertans David Kilgour and Alex Kibbey, both of whom were expelled from the parliamentary caucus April 13—have broken ranks over the government's policies. At the same time, virtually no one in the party has suggested, even privately, that Mulroney should step down. Declared George Parla, a political historian at Queen's University in Kingston, Ont.: "There is a remarkable degree of unity among Tories. The feeling is that their policies were decided collectively, and collectively they take responsibility for these decisions."



Mulroney with students in Toronto: some Tories see him as their biggest asset

Moreover, even many prominent Liberal acknowledge that the opposition party's current lead in the polls is on grounds of electoral success. "I do not think anybody underestimates the ability of Brian Mulroney and his colleagues to mount a good campaign," said Patrick Lavigne, Ontario campaign co-chairman for Liberal leadership hopeful Jean Chrétien. "They are well financed, and they have the resources of government. And they have two years to get their act together."

Still, accomplishing that task will be difficult—as even many Tories readily admit. Both

major policy threats of the party's second term—the proposed Meech Lake constitutional accord, which may collapse if it is not ratified by the June 23 deadline, and the seven-per-cent Goods and Services Tax (GST), which is scheduled to go into effect next Jan. 1—are highly controversial, and they are likely to remain so. In addition, some grassroots Tories claim simply that the government has done a poor job of promoting its policies to the public. "The policies themselves are basically sound," declared Allan Fawcett, the party's vice-president for Nova Scotia. "But whether the single-

mentarism and the communication are good enough is another question." He added, "I believe in what Mulroney is trying to do for the country but, unless we can demonstrate positive results, we are going to be voted out of office pretty fast."

To reassure local party members, Tory officials in Ottawa have spent much of the past few months at attempting to shore up morale. Last week, the party held 33 of its regional field organizers in Ottawa for four days of meetings with senior strategists and policy advisers, and

also, who already enjoy 40-per-cent support in the Gallup poll, will likely see even higher as a result of their party's increased leadership visibility in Calgary in late June. "There is a kind of fortress mentality in the Prime Minister's Office," said one influential adviser to Mulroney. "What else can they do? The attitude is, 'Let's bunker down until June and hope that things do not get much worse.'"

Meanwhile, Tory strategists are actively planning the party's revival. In the political back rooms, key advisers and senior ministers are drawing up an array of new policy initiatives that will, they hope, defend the status for a recovery. In that, the Tories are following a time-honored political axiom: devote the early part of the term to unpopular measures, then switch to more popular initiatives during the run-up to the next election. "The next election must be fought on the GST, Meech Lake free trade or any of those issues," said Grant Jaworsky, an executive member of the Conservative ruling association in Alberta, Oct. "The party is going to clear all of the contentious issues of the boards before the next election."

For the most part, the government has been successful in keeping its future policy agenda under wraps that key elements of it are already visible. In March, Environment Minister Lucien Bouchard issued a 10-page document, *People, entitled The Green Plan*, said that the proposals represented the first step in a sweeping five-year program to make Canada "the world's most environmentally friendly country." This summer, Bouchard will tour the country to consult with environmental groups, industries and private citizens. Then, the minister plans to table an environmental action plan in October. According to Bouchard, the document will



Kilgour: expulsions, but most Tory MPs remain loyal

an inspirational encounter with Mulroney himself. "Sure, they have a bad time defending the government with the food-shop crowd in their home towns, but they are hanging in there," said Marjory LeBreton, Mulroney's deputy chief of staff. "Our organizers tell us things are tough for the party," she added, "but they have not lost confidence. They realize that we are doing exactly what they have been asking us to do for many years."

Despite that, most Tories acknowledge the party's current situation will almost certainly get worse before it gets better. And the Liber-

commit the government to specific measures to clean up toxic waste, protect the atmosphere, encourage recycling and reduce the amount of unrecycled waste.

But ecological considerations are not the only forces propelling Bouchard's plan. Privately, the Times say that they intend to make the environment the centerpiece of their policy agenda during the second half of the government's mandate. Prime Minister Mulroney, the party, and key Ottawa adviser Lord Maclean, show that Canadians now put little stock in government promises to protect the env-

National Notes

A RIGHT TO LANGUAGE

The Quebec Human Rights Commission declared that a Montreal Catholic School Commission proposal to enforce a *Firstworldly* rule in 105 city schools would violate people's right to the use of languages. The school commission is expected to vote June 26 on the policy, which would allow it to discipline or expel students for speaking languages other than French on school property.

A PARTIAL VICTORY

Critics of a three-quarter-century, \$400-million dam on the Ottawa River in southwestern Alberta claimed a partial victory when federal Environment Minister Lucien Bouchard ordered a full review of the controversial project of the project, but declined to stop work on it.

THREE FOR THE MONEY

Ontario Treasurer Robert Harris presented his second consecutive balanced annual budget, a \$4.4-billion package that increased support for infrastructure and social programs but raised taxes on cigarettes, beer and liquor in a \$35-billion budget with a projected deficit of \$1.75 billion. And in Nova Scotia, Finance Minister Grog Norr tabled a \$4.5-billion budget with an operating deficit of \$27.4 million that included increases in personal, corporate and consumer taxes.

COURTROOM MYSTERY

The Supreme Court of Canada announced that the record of two February hearings, conducted under unprecedented secrecy, will be made public on May 11 unless the accused parties advised can convince it to do otherwise. News of the secret advantage surprised lawyers, but most said that the nation's highest court must have had good reason to act as it did.

RESCUE EFFORT

More than 18,000 Canadian volunteers were stranded in Mexico, Florida and throughout the Caribbean after a charter airline company and tour operator, Thomson Vacations of Toronto, the country's third largest, went into receivership. The Ontario government organized an emergency effort to bring the travellers home.

CONTINUOUS REMARKS

Liberal leadership candidate John Manly described Quebec separatists as "traitors" in Canada, and Quebec Tories who had been expelled from the caucus in Nova Scotia called the remark "an insult to Quebecers."

restraint. "In the future," he added, "any politician who is not on the leading edge of the environment issue will be taking his life in his hands." Indeed, the cabinet members have already played an important role in setting the timetable for Bouchard's initiative. The minister originally undertook to bring forward his action plan this spring. But government ministers decided to delay his publication until the fall, in part because of disagreements within the cabinet over its contents, but also because they did not want to be overshadowed by parliamentarian debate on the bill. Said one senior bureaucrat: "Why waste a high-level slot like the environment so early in the mandate?"

In contrast to the high-profile cutting, tax-saving initiatives that have dominated the agenda so far, most of what the party introduces in the second half of the year will be to the social and social policy. Along with the environment, officials say privately that they will stress education as another prime focus of government policy in the next two years. They point out that members of the baby-boom generation are now in their prime child-rearing years, and that public concern about deteriorating educational standards is widespread. At the same time, the fact that education is constitutionally an area of exclusive provincial jurisdiction will make it easier for Ottawa to duck calls for increased federal spending. Instead, the government plans to announce a series of federal education standards, while asking provinces to encourage increased investment by industry in research and development.

Last week, Mulroney himself attempted to draw attention to the new Tory focus on education when he chaired a round-table discussion on the subject by a group of students and teachers in Toronto. Later, at a meeting of Ontario teachers, gathered in the same city for an academic awards ceremony, that he was disturbed by a recent survey suggesting that 17 per cent of high-school graduates are functionally illiterate. For his part, Health Minister Pierre Bédard has said that a new national day for eye problems will be placed before the next election—replacing a year-long, \$6.4-billion proposal that was shelved last year on the grounds of budgetary restraint.

Another likely centerpiece of Tory policy in Senate reform: In the four writers' proposals, in particular, Tory men are under increasing pressure from constituents to support the so-called Triple E Senate proposal—political short-handed in upper chamber that is elected,

has equal representation from each province and effective powers to introduce and amend federal legislation. Because such a proposal has drawn opposition from Ontario and Quebec, whose large populations allow them to dominate Parliament, the government has yet to stake out its own position on the issue. But, by putting forward their own proposals for Senate reform, the Tories say that they hope to attract western voters who have deserted the government in favour of the Calgary-based Reform Party of Canada—which supports a Triple E Senate while opposing Meech Lake and the GRC—back into the Conservative fold.

It is clearly a high-risk strategy. For one

way sort of agreement," a senior adviser said.

But perhaps the biggest risk facing the Tories is the current economic slowdown. Two months ago, the government predicted that economic growth would come to a standstill during the first half of this year, then start to rebound in late 1990. But, last week, a key economic adviser to the Prime Minister told Mulroney that high interest rates are likely to postpone the recovery. In addition, some analysts say a failure to resolve the Meech Lake impasse could frighten away foreign investors, weakening the value of the dollar and forcing rates even higher (page 40). Said Winnipeg politician Angus Reid: "If consumer confidence is as low as 1990 at this time, Mr. Mulroney and his party will be dead soon. But if he stands firm and things improve, he can claim some of the credit."

For the moment, the Tories' problems appear to be outnumbered by their advantages. But the party is well ahead of its opponents in one key area: political organization. Said Prime Minister "Unquestionably, the Tories have put in place the most extensive, sophisticated and well-financed political operation this country has ever seen." Already, the party has begun to redesign its campaign organization for the next election, drawing on advice from a high-powered conservative that includes Toronto organizer John Tory, B.C. adviser Patrick Kin-sella and Ottawa communications consultant Wilkie Fox. By contrast, said Lavelle, the Liberals will have to reorganize their campaign organization from the ground up after the June leadership convention. "The Liberal party is in gross disarray," Lavelle added. "The first order of business is to rebuild the party."

The Tories are also counting on Mulroney himself. Most die-hard Conservatives say that he is the party's most important asset. "I don't think any leadership would not be affected by this poll," said Terence McCann, a friend of Mulroney's from university days, and now mayor of Pembroke, Ont. "But, damn it, he is one hard-working son of a bitch. He goes to bed every night thinking that if he wants something bad enough, he can overcome any problem." In fact, McCann said that he has little doubt that Mulroney intends to run for a third consecutive term. "He is 68, in good health and he is consumed by the job. And there is nothing he loves better than a good challenge." Mulroney will likely have plenty of challenges in the months ahead.

ROSS LARSEN with PAUL KRAMER

In business, timing is everything. Now is the best time to get ready for the proposed GST.



Help starts with this GST information kit, mailed to businesses across Canada.

If you didn't get yours, or if you have any questions, call now:

1 800 267-6620

9 a.m. - 5 p.m. Mon. - Fri.

Or pick up a kit at your nearest post office.

Telecommunications device for the hearing impaired: 1 800 465-5770

Prepare Early

- You'll receive information on how the proposed GST applies to your business.
- You'll have plenty of time to choose the administrative options most convenient for you.
- You'll know how to take advantage of tax rebates on the Federal Sales Tax.
- You can get help to adapt your accounting system and prepare your staff for the change.
- As well as getting information and help in person or by phone, you can reach a GST question and answer data base via PC. Call: 1 800 267-4500

Revenue Canada is ready to help you understand and prepare for the proposed GST.

Canada's GST. It's good business to prepare now.



Revenue Canada
Canada Revenue

Revenue Canada
Canada Revenue

Canada

Tragedy in the air

Another CF-18 crash prompts a new inquiry

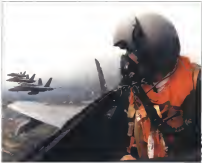
It was rained by his superior as one of the Canadian air force's top 18 fighter pilots. But, on Sunday, April 22, the career of Capt. Robin Tucker ended tragically and mysteriously in the Pacific Ocean 18 miles off the west coast of Vancouver Island. In overcast weather, Tucker's sleek, sophisticated CF-18 fighter jet crashed into the sea, leaving no survivors. At the beginning of last week, search-and-rescue teams scoured the area in case Tucker had ejected safely. But they found only an sick and a few pieces of debris from the aircraft—the fuselage—18 in a week and the tide soon for beginning of the year. Then, two days after Tucker's plane disappeared from radar screens, officials ended the search. "Our hopes were very, very high," said a discouraged Sgt. John Kelly, the leader of the rescue team. Defence Minister William McNight quickly ordered a 48-hour investigation on CF-18 flights while senior air force personnel conducted an investigation of the latest accident. Later, he announced that training missions would begin a year later—just with revised safety procedures.

As sailors at the search site held a memorial service for Tucker, his air force comrades were left to absorb the shock of the latest tragedy. It was the 12th crash of a CF-18 since the Canadian Forces began acquiring 135 of the sophisticated \$25-million jets in 1982 from McDonnell Douglas Corp. in St. Louis. Tucker's plane was one of three CF-18s belonging to the 441 Tactical Fighter Squadron—based at CFB Cold Lake, Alta.—that were stationed at CFB Comox on Vancouver Island in order to patrol the British Columbia coast. Last week, the remaining two planes and three fighter pilots stationed at Comox were ordered to return to their home base. Said Maj. Jan MacIntyre, representing the Canadian Forces at Cold Lake. "It's important that families be kept out of a time like this."

The crash followed the April 27 collision of two CF-18s over Karlsruhe, West Germany, and it led to intense Canadian questioning of McNight about the safety of CF-18 training programs and the reliability of the fighter jets themselves. As well, the House of Commons defence committee announced last week that it would hold hearings on the crash in the series of CF-18 crashes. "Our purpose is not to criticize the purchase of the CF-18," said Conservative MP Marc Fontaine, the acting chairman of the committee. "But we have a lot of questions, and we're sure many Canadians do as well. We'd like to get those answers and get as much information out to the public as possible."

In fact, the air force is already conducting a review of fighter-pilot training, with an intense

report expected by the end of May in the meantime. McNight last week ordered an increase in the minimum altitude flown by CF-18s in training flights, to 350 feet from 100 feet above the ground. As well, pilots will now have to fly faster at low altitudes—a measure aimed at encouraging maneuverability. But McNight stressed that the new rules implied that he had any doubts about the training program or the aircraft itself. "Canadian pilots perform as well or better than most foreign pilots," he said. "We're just trying to make it safer."



View from a CF-18 cockpit: the 12th crash since 1982, the fifth one this year

Instead, many experts continued to express full confidence in Canadian pilots—and in the reliability of the F-18. For one thing, the U.S. navy, which began using the aircraft in 1979 and now has 608 in active service, has experienced crashes at a rate of 4.3 per 100,000 flight hours—a rate that analysts classify as low. By comparison, the crash rate for CF-18s is substantially higher at 7.34 per 100,000 flight hours. But, last week, McNight declared that there is no common thread linking the crashes.

Still, some experts said that a pilot shortage in the air force may be contributing to the problem. According to its own estimate, the force needs about 2,000 pilots. At the moment, though, there are only about 1,900, a shortage largely due to the fact that many military-

trained pilots have left uniforms for better-paying and more stable careers with civilian airlines. In large part, that exodus has consisted of pilots who have completed a training program that can last up to five years, followed by a standard three-to-five-year tour of duty in a CF-18 squadron. "The lure of the airlines is taking a great many of the most experienced pilots who have learned all the lessons," said Maj. Richard Durlington, a CF-18 flight instructor at Cold Lake with five years' experience flying the fighter aircraft. "You are losing the irreplaceable value of experience, and that might be where it's hurting us a bit. We're losing our corporate knowledge."

Meanwhile, psychological factors may also play a part in the crashes. "If you have one accident and then another on top of that," noted one Washington-based defence analyst, "then the chances are you will get a whole bunch of them. It is a known phenomenon in military aviation." The analyst described the

phenomenon as "a psychology of serial accidents—a collective crew fear of the aircraft." Others, though, refused to share that speculation. "We know about the Canadian problems," said a spokesman for the U.S. Marine Corps, which has a fleet of 360 F-18s. "But who knows why there should be a rash of crashes all at once? It can be like trying to explain the Bermuda Triangle." Until investigators unearth more concrete explanations, Canadian air force personnel plainly have little else on which to base their tragic streak of bad luck—and their grief over a growing toll of fallen comrades-in-arms.

FEETEN ROYVILLE with
WILLIAM LUTHER in Washington



Say when.

The next time you fly across the country or overseas to Europe, you'll find you have a lot more say than you ever had before.

Because for the very first time, when you fly Executive ClassSM service, you'll be able to tell us when you'd like to have your meal served rather than the other way round.

As a result, you'll have more control over how you spend your time during the rest of the flight.

How did we manage it? By thinking cold instead of hot. And by creating a delicious chilled lobster entrée you can enjoy right after take off, during regular meal service or whenever you'd like.

It's just one of the many enhancements we've brought to our Executive Class service which allows us to provide you with a much more personalized service.

And all you have to do is say when.

ABOVE AND BEYOND


Air Canada



Algonquin reserve blockade: 'we picked up arms to defend our territory'

Gunfire and gambling

Violence explodes on a Mohawk reserve

The scene, allegedly reminiscent of Northern Ireland or strife-torn Lebanon, was starkly out of place in a rural corner of North America. But, after days of escalating violence on the Algonquin-St. Lawrence Mohawk Indian reserve—which includes parts of Ontario, Quebec and New York state, and Cornwall Island on the St. Lawrence River—Indian leaders last week organized the evacuation of nearly 400 women, children and the elderly to safety in nearby Cornwall, Ont. Even there, many of the refugees who sought shelter at emergency accommodations provided by federal and provincial authorities expressed fear of renewed attacks by about 50 Mohawk Warriors, the heavily armed supporters of an controversial cause and bogs built on the reserve. "It is like a little war over there," said a 32-year-old mother of five, who identified herself only as Lucy. Declining to give her last name, saying she was afraid that Warriors would retaliate for angry reserve bogs, she added, "It is like Belfast or Beirut."

Indeed, last week's land and water evictions followed months of rising tension marked by gunfire, beatings and arson. Underlying the hostilities are divided views among the 9,500 Algonquin-Mohawks—about 5,000 of whom live on the Canadian side of the border—over whether to close a half-dozen gambling houses that have opened on the U.S. side of the reserve since 1984. Supporters of the casinos

assert that they have created 660 badly needed local jobs. Critics accuse them of undermining jobs and drug-smuggling to the community.

But, in recent weeks, that debate has been overtaken by disputes generated by the Warriors. Many Mohawks blame the Warriors—many of whose members carry military assault rifles and frequently act as guards for the casino operations—for a spate of attacks on gambling opponents and band council buildings. The latest attack came last Thursday, when several unidentified men armed with automatic rifles launched an assault on the casino occupied by Mohawk police who patrol the Canadian side of the reserve—the only regular police presence on the reserve. Armed juveniles responded by calling for the evacuation and requesting outside help in restoring order. Declared Canadian Grand Chief Michael Mitchell: "There was machine-gun fire. People were being in terror. I could not see another night putting people through that."

But not all of the reserve's residents blame the Warriors—and gambling—for the violence. Warrior Francis Akomohakos, for one, asserted that the armed group was motivated only by a desire to preserve Mohawk independence. Said Akomohakos: "We picked up arms to defend our territory against outsiders. We will continue." And Thomas Gordon, who manages the controversial Mohawk Bingo Palace, blamed the violence on Canadian

Mohawks who envy the success of the gambling operations. "They're jealous as at the root of a lot of the problems," he told Mitchell. "There's money to be made here, but it is not going over to the Canadian side."

In fact, the volatile conclusion of guns and gambling has bedeviled the reserve for several years. In July, 1988, a force of 20 armed Warriors blocked a highway to prevent New York state police from investigating the casinos, which are illegal under state law. Then, last August, a mob of gambling opponents set fire to a partly finished casino. In January, gamblers were fired in an attack on the Mohawk police station. Trouble began to subside in early March, when gambling opponents blocked a highway to an attempt to prevent customers from reaching the casinos. Two weeks later, the debate over gambling appeared to be near a solution. On March 29, leaders of the reserve's three governing councils (one each for the Canadian and U.S. portions of the reserve, and a third composed of traditional chiefs from both sections) agreed to suspend gambling and residents could vote on the issue in a referendum. That settlement dissolved, however, when the pro-gambling forces refused to endorse it.

Last week's violence began when an explosion drove war trucks at the band police station on the evening of April 23. In the hours that followed, armed men firing rifles overran two anti-gambling blockades, burning or vandalizing about 25 vehicles parked nearby.

By then, the dispute had spilled beyond the reserve's borders. In Ottawa, last Monday accompanied by George Erasmus, national chief of the Assembly of First Nations, and Minister of Indian Affairs Thomas Siddons last Wednesday to sign him to put pressure on U.S. authorities to restrain the Warriors. The following day, Canadian officials in Washington contacted the U.S. state department to express concern about the mounting violence. But, at the state capital of Albany, N.Y., Gov. Mario Cuomo said that he would not order state troopers to act when he described as an "internal" Indian affair. Declared an angry Erasmus: "We are being told Mohawk lives do not mean anything, and they are not going to risk white lives to help."

But spokesmen for the Warriors dismissed the allegations against their group as libelous lies, designed to justify intervention that would wrest control of the reserve away from the militant Mohawk nationalists. "The bottom line is power," said Akomohakos. Indeed—evidence collected last week's violence on the divided reserve—that assessment seemed reasonable.

CHRIS WOOD with K. KATE FULTON in Cornwall and RYAN MCKENZIE in Washington

ONE OF THE FEW THINGS IN YOUR OFFICE AS WORRY-FREE AS A LANIER COPIER.



Lanier 1300 and "Hot Day" Results published in "What to Expect During" magazine

Circle 10 on card

LANIER
Photocopiers. Dictating Systems. Facsimile.

The best performance guarantee in the world.

There are some office products we all take for granted. Simple, easy to use, and you can pretty well guarantee they'll work almost all of the time.

We think your photocopier should be one of them. We're Lanier, formerly Harris/3M. The only photocopier company in the world that puts its promise of product performance and people performance on paper. We call it a guarantee.

So if your copier does have a bad day, we're there to make sure you don't.

This same commitment to performance can be found in all our office equipment, from dictating systems to facsimile.

Lanier copiers. As worry-free as a paper-clip (but with a few more moving parts).



Circle 11 on card

FREE!
Take a break on our worry-free Lanier products. Read on this coupon and we'll drop by with a free credit claim check and a brief demonstration.

☐ Copying ☐ Dictating ☐ Facsimile

Name _____
Title _____
Company _____
Address _____
City _____
Postal Code _____
Phone _____
Tel. _____

Clip coupon or call toll-free 1-800-265-1094
Lanier Canada Inc., P.O. Box 2143, London, Ontario N6A 4H4

A WOMAN OF MEANS



Chamorro inauguration: political divisions, an economic crisis and an urgent need to disarm opposing forces

It was the first democratic transfer of power in Nicaragua's 152-year history as an independent republic, but it took place before a crowd as symbolically divided as the country itself. In a packed baseball stadium in Managua last Wednesday, supporters of outgoing Sandinista President Daniel Ortega sat on the left field side, while supporters of president-elect Violeta Chamorro sat on the right. The left-field bleachers erupted into cheers when Ortega paraded his black jeep and stride to the stage at home plate to make his last speech as Nicaragua's leader. But, a few minutes later, as Chamorro entered the stadium on the back of a white truck to take the oath of office, water-filled plastic bags rained down on her from the left-field stands. After Ortega appealed for calm, he removed his presidential sash and conspicuously draped it over Chamorro, 60, the leader of the 14-party National Opposition Union (UNO), which won the February parliamentary elections. With that, more than a decade of rule by the Sandinistas officially came to an end. Declared Chamorro: "This is the dawn of a new republic."

A DECADE OF SANDINISTA RULE IN NICARAGUA ENDS WITH THE INAUGURATION OF VIOLETA CHAMORRO

In her inaugural speech, Chamorro announced her intention to remove most state controls from the weakened economy. She also said that the government will stop military conscription. As well, Chamorro offered unconditional amnesty to all of those involved in an eight-year civil war between the Soviet-backed Sandinistas and the U.S.-supported contra, a struggle that has killed 30,000 Nicaraguans

Then, she provoked the first controversy of her new-term term by declaring that Sandinista Gen. Humberto Ortega, Daniel Ortega's elder brother, would remain indefinitely as head of the country's 100,000-member armed forces. That decision clearly angered many of her UNO supporters, two of whom withdrew from consideration for cabinet positions. Ortega's appointment threatened to lead to cancellation of a disarmament agreement signed on April 19 by contra commanders, Sandinista leaders and Chamorro's representatives.

To appease her critics, Chamorro personally took over Humberto Ortega's political office, the defense portfolio, and said that she would order the armed forces chief to initiate sharp reductions in military manpower. Still, some rebel commanders said that they might not honor the agreement to surrender their arms to United Nations peacekeepers by June 19. Still worse, political contra leader Arístides Sánchez "No one is willing to desarm as long as Humberto Ortega stays."

Activists among members of Chamorro's own family reflect the political divisions as

Nicaragua. Violeta Chamorro's husband, Pedro Joaquín, was a crusading newspaper editor who suffered exile and imprisonment under the dictatorial regime of Anastasio Somoza. His murder in 1979 by unknown assassins sparked the uprising that toppled Somoza and swept the Sandinistas to power the following year.

Chamorro became one of the five members of the Sandinista junta in 1979, but resigned after one month out of distaste for the revolutionary government's Marxist ideology. She took over her husband's newspaper, *La Prensa*, and became the most vocal critic of the regime. Her elder son, Pedro Joaquín, joined the contra and her daughter Cristina now sits *La Prensa*. But daughter Chuska is a Sandinista diplomat, and son Carlos Fernando is the editor of the official Sandinista newspaper, *Barricada*.

The family's divided loyalties help to explain Chamorro's decision to retain Ortega. But the decision deepened a long-standing division within the UNO coalition. Six parties support Chamorro's moderate policies, while the eight others say that they want to eradicate any vestiges of Sandinista influence. El Alternancia of the Nicaraguan Communist party said that the decision in the coalition could affect voting in the 90-seat assembly, where the 14 UNO parties hold 52 seats to the Sandinistas' 38. Two seats are held by other parties.

Chamorro also faces a daunting economic crisis brought on by the eight-year civil war, U.S. economic sanctions and Sandinista mismanagement. An estimated 30 per cent of Nicaraguans are unemployed. Inflation—prices rose by 30,000 per cent in 1984—has made the local currency almost worthless. And the value of exports dropped to \$220 million in 1989 at the height of the U.S. embargo—since removed—(then \$650 million in 1976, before the Sandinistas overthrew the 50-year dictatorship of the Somoza family. "She's got her own economic problems," said Vice-President Dan Quayle, who led a 30-member American delegation to Chamorro's inauguration. He added:

"The country is devastated. It's going to take a tremendous rebuilding effort." The new government has announced that it plans to increase the production of such vital export crops as coffee and cotton. As well, it wants to privatize the economy by eliminating cumbersome state controls, which government advisers say are at the root of the crisis. Chamorro's task will be eased somewhat by

the lifting in March of the U.S. trade embargo, imposed by Ronald Reagan in 1985. Last week, President George Bush lifted the last remaining trade restrictions, restoring Nicaragua's 2.1-per-cent share of U.S. sugar quotas, worth an estimated \$38.4 million annually.

At the same time, Bush invoked emergency powers to send \$2 million in medical aid to Nicaragua. Meanwhile, the Senate continues to debate Bush's request for a \$340-million aid package for the country. Quayle symbolized



Contras in Honduras: ending an eight-year civil war

by presiding over the distribution of a shipment of flour and cooking oil. Washington is also trying to persuade other nations to give substantial financial aid to the Nicaraguans. "They need the cash," said Robert Katz, a Latin American specialist at the Washington-based Brookings Institution. "We're talking around half a billion dollars a year for the foreseeable future."

Chamorro's close ties to Washington may help her to build Nicaragua's shattered economy. But the vast political divide in the country, and the urgent need to demilitarize opposing forces, will present an enormous challenge to the first elected female president of a Central American nation.

ANDREW REIKES with WILLIAM GASPERLIN in Managua and WILLIAM LOWMYER in Washington

World Notes

SOCIALIST DIVISIONS

Frederic Lefebvre, the most vocal Chamorro official to visit the Soviet Union in 28 years, played down differences at a one-on-one ideological rift between the world's Communist superpowers. But he added that the two countries remained divided on their interpretations of socialism. The two sides signed an agreement to reduce armed forces along the 7,000-km border, where Soviet and Chinese troops fought bloody clashes in the 1960s.

A POLITICAL ATTACK

At a political rally in Cologne, West Germany, a mob of 10 women with a butcher knife slashed the neck of Oskar Lafontaine, deputy leader of the Social Democratic Party. Lafontaine, 46, was taken to hospital and underwent a successful two-hour operation. Party leaders and Lafontaine, who opposes hard German reunification, would continue his campaign to oust Christian Democratic Chancellor Helmut Kohl at December elections.

KILLING OF A CANDIDATE

Carlos Páez, 38, a left-of-center candidate in Colombia's May 27 presidential elections, was shot dead aboard an aircraft in flight by a 21-year-old assassin, who was immediately killed by Páez's bodyguards.

PRISONER REBELLIONS

The last five rebel inmates at Managua's Struengways Prison surrendered after 25 days, ending Britain's longest prison strike. The five men were the last holdouts of 1,620 rebels whose protest against overcrowding and alleged brutality in the prison began on April 1.

DEATH FOR REBELLION

In Sudan, 28 officers were executed by firing squad after military tribunals convicted them of leading an armed rebellion. The officers were shot on April 23 against Sudan's military ruler Gen. Omar Hassan al-Bashir.

GASBURNER KILLINGS

New York City police are searching for suspects in the killings of seven celebrities over the March 4th weekend at the back of the hotel late at night—three of them, according to the police, with the same 22-caliber handgun.

A LAUNCH INTO SPACE

Astronauts aboard the space shuttle *Discovery*, with its Canadian-developed robotic Canadarm, released the 19.9-million Bolido Space Telescope at an altitude of 380 miles. The 18-ton telescope begins orbiting Earth on a 15-year mission to probe the outer universe.

LITHUANIA

Lonely isolation

Lithuanians accuse the West of betrayal

When his home republic of Lithuania declared independence from the Soviet Union on March 11, Kingdags Pratsnietis said that he was happy, and not worried about the future. Eliauskas, a journalist in the capital of Vilnius, said that Soviet leader Mikhail Gorbachev could not realistically harshly criticize "Western democratic countries would stand with us." But, last week, in the midst of a widening Soviet economic blockade that has led to mounting hardships in the republic, Eliauskas declared a new vision of global politics: "The big countries just buy and sell other places," he said. He was reacting largely to President George Bush's decision not to renege against the Kremlin in a referendum to the Soviets' mild opposition to the American invasion of Panama last December. Eliauskas declared, "Gorbachev let Bush have Panama, so why shouldn't Bush let Lithuania wholesale as a return?"

That remark reflected the increasing frustration and sense of isolation clearly shared by many of Lithuania's 3.6 million people. After Moscow cut off supplies of oil and many raw materials on April 18, many Lithuanians said that they expected Western countries to retaliate with economic sanctions against Moscow.

Those hopes were dashed last week by public statements from Washington and other Western capitals. After a meeting with congressional leaders, Bush said that he wanted to avoid pushing Moscow "to take action that would set back the whole case of freedom around the world." But as angry Vytautas Landsbergis, Lithuania's president, called the U.S. decision "an other Munich," evoking the 1938 agreement under which



Landsbergis fully determined to withstand hardship

Britain and France gave Adolf Hitler a free hand to annex Czechoslovakia.

Despite such criticism, U.S. negotiators at Paris announced last week that they had reached basic agreement on a trade deal with the Soviet Union, which Bush and Gorbachev are expected to sign at their summit meeting in Washington beginning May 30. Most other Western governments also declared to take action against the Soviet Union. Before announcing his decision, Bush phoned many Allied leaders including Prime Minister Brian Mulroney, French President François Mitterrand and West German Chancellor Helmut Kohl. U.S. officials said that all of them urged

Bush not to employ sanctions. Clark later said that Canada does not plan to impose its own sanctions and is unlikely to offer any dissent to Lithuania. And late last week, Kohl and Mitterrand sent Landsbergis a letter asking him to suspend some aspects of the republic's independence drive in order to open talks with the Kremlin. Landsbergis said he would "carefully study" the proposal.

Moscow, meanwhile, maintained its hard-line stance towards the breakaway republic. Last week, Marshal Sergei Akhromeyev, Gorbachev's chief military adviser, said that he would be prepared to use soldiers to prevent any illegal protests. At the same time, a KGB official said that the secret police have increased patrols on the republic's borders in order to "prevent the transfer of Western weapons and ammunition to Lithuania." As well, Soviet officials said that Moscow would oppose any steps by foreign countries to ship oil directly to Lithuania.

The blockade, which cut off all of Lithuania's oil supplies, more than 80 per cent of its natural gas and many basic foods, was widened to include coal at week's end, has already pushed the republic's economy close to collapse. Despite severe rationing, officials say that they will run out of energy supplies by mid-May. Even before that, shortages of needed supplies will likely lead to the layoff of more than 75 per cent of Lithuania's 500,000 workers. And Lithuanian authorities said that they will introduce food rationing this week.

In Vilnius, ordinary street life has been noticeably affected. Traffic at almost at a standstill because private motorists are rationed to 30 litres of gasoline per month. As a result, some drivers are paying the equivalent of 85 per litre, compared with the legal price of about 70 cents, to black marketers for additional gas. In an effort to counter the blockade, the Lithuanian parliament voted last week to encourage powers last week, including the right to forced the transfer of manufactured goods and raw materials outside that republic. In a televised address, Landsbergis warned Lithuanians that "great privations are in store to test everyone." But he added, "We are fully determined to withstand hardship."

But the Kremlin is talking tough as well. Soviet officials last week repeated their refusal to negotiate with Lithuanian leaders unless the republic renounces its declaration of independence, a demand that the Lithuanians say they are not prepared to meet. John Bosley, a Toronto-area Conservative MP who met Soviet and Lithuanian officials in Moscow last week as part of a Canadian parliamentary delegation, declared: "The Soviets think time stopped March 10 (the day before Lithuania's declaration). The Lithuanians think time did not end before March 12." He added, "They have to find a way to stop the clock at midnight between those days." Without that, the time to negotiate a peaceful settlement is quickly running out.

ANTHONY WILSON-SMITH in Moscow and
WILLIAM LORTIMER in Washington

We believe there's a place for standard one-size-fits-all investment plans.

Investing wisely is a matter of making sure the investments you have are the investments you need.

Before we put together your personalized plan, we'll take the time to discuss your expectations. Then we'll recommend a plan to help you make the most of your money and improve your rate of return.

At Investors Group, we develop investment portfolios one at a time. Because we believe every client is one of a kind.

IG Investors Group

Building futures since 1940.

HEAD OFFICE

One Canada Square, 447 Portage Avenue, Winnipeg, Manitoba R3C 3S6

LEBANON

Freedom and frustration

Hopes for the release of more hostages fade

When Robert Pollak's captors released him in Beirut on April 22, after 39 months as a hostage, it seemed possible that scores of other Americans held by Lebanese kidnappers would soon follow. But by the time Pollak reached Washington four days later, after meeting in a U.S. hospital in Wiesbaden, West Germany, that seemed unlikely. Instead of the stooped gesture that the Lebanese extremists and their French sponsors had demanded from Washington, the Americans provided a rebuttal: Congress declared that Jerusalem, which is one of Israel's holy cities, is the capital of Israel. The Israelis also rejected the Iranians. They refused to release the rebel Shiite cleric whom they abducted last summer or to free any but four of the hundreds of Shiite and Palestinian held by their allies of the South Lebanese Army. Said Hassan Mansour, a leader of Hizbollah, the umbrella organization to which the kidnapping gangs belong: "We offered a rose and got a stone."

Reflecting the fact that his release was a singular event, Pollak's return to the United States was deliberately low-key. When he arrived at Andrews Air Force Base, near Washington, on Thursday with his Pointe-aux-Lac wife, Perpet, the 35-year-old former hostage was greeted only by a middle-ranking government official, Assistant Secretary of State for Consular Affairs Elizabeth Croteau, and the couple, at Andrews, and no members of the public, apart from reporters and camera crews, were allowed onto the base. And Pollak, looking cheerful, but pale and exhausted, contributed to the subdued atmosphere by declining to talk to the waiting newsmen. Instead, an official car whisked him to Washington's Walter Reed Army Medical Center where hospital commander Maj-Gen Richard Cameron said that he would undergo "several days of resting, testing and evaluation." The following day doctors announced that they had found a growth on his left vocal cord. They planned to perform a biopsy when Pollak has regained some of his lost strength.

As the couple prepared to settle into the four-room hospital suite that will be their temporary home, Pollak told a crowd of well-wishers: "I'm very happy. Very happy." Commenting on Pollak's earlier remark that it was anger against his captors that had enabled him to survive, Cameron said: "Anger—it's a great

men imprisoned in Lebanon. Meanwhile, ignoring threats and warnings from Islamic fundamentalists, the House of Representatives overwhelmingly endorsed a resolution already passed by the Senate that recognizes a united Jerusalem as Israel's capital. The resolution, which is contrary to administration policy, is nonbinding. And it was clearly intended as an election-year congressional rebuke to President George Bush for his recent remarks condemning Israeli settlements in East Jerusalem, which he lumped together with the West Bank as occupied territory.

Some officials said that the timing of the resolution jeopardized the creation of an atmosphere conducive to the release of more hostages. But analyst Robert Hunter, of Washington's Center for Strategic and International Studies, said that the main problem was Israel's failure to order the release of its other prisoners in South Lebanon.

Meanwhile, prospects looked dimmer for the release not just of American hostages but of other Western captives. Syrian officials, who had helped to gain Pollak's freedom, had expected the release of two Swiss Red Cross workers who were abducted in Sidon, in southwest Lebanon, last October. Mariyeha Saad, leader of the Sunni Muslim militia known as the Popular Liberation Army, met representatives of the kidnapping group, Putsch Revolutionary Council, last Thursday to arrange a handover. But at the last minute, the kidnappers refused. Said a source close to Saad, whose militia controls Sidon: "They said they could not release the Swiss because of security reasons, but this is only an excuse."

Because of the kidnappers' refusal to free citizens of traditionally neutral Switzerland, there seemed little prospect of an early release of the four Britons, two West Germans and one Italian who are held by other Lebanese extremists. There was even less hope for the seven U.S. hostages, who included Pollak's two Beirut University faculty colleagues, Alan Stein, 51, and Jesse Turner, 42. In a telephone

Pollak at Andrews Air Force Base; anger kept him going

call last week from Wiesbaden to his 84-year-old mother, Ruth Pollak of Falmouth, N.Y., Pollak said that he intended to leave those two good friends behind. "In the worst atmosphere that followed, it seemed likely to be a long time before he sees them again."

Clearly, Pollak's fastest captors were angry as well. The start of the Muslim Eid al-Fitr festival last Thursday, which marks the end of the Ramadan fasting month, could have been the occasion for the release of many of the prisoners held in Israel's self-declared South Lebanon security zone. But the Israelis said that freedom for those captives, and the abducted cleric, Sheikh Abdel Karim Obeid, depended on the release of three Israeli service-

men imprisoned in Lebanon. Meanwhile, ignoring threats and warnings from Islamic fundamentalists, the House of Representatives overwhelmingly endorsed a resolution already passed by the Senate that recognizes a united Jerusalem as Israel's capital. The resolution, which is contrary to administration policy, is nonbinding. And it was clearly intended as an election-year congressional rebuke to President George Bush for his recent remarks condemning Israeli settlements in East Jerusalem, which he lumped together with the West Bank as occupied territory.

JOHN REIERMAN with **KILARY MACKENZIE** in Washington, **LARA MAZURKOWICZ** in Beirut, **JANN WOLAND** in Damascus and **ANDREW PHILLIPS** in Wiesbaden

It's a new world.



Paris is now a Canadian City.

Is a Canadian the only North American airline flying to Charles de Gaulle, the modern terminal in Paris? Mass out-

Canadian

Our world revolves around you.

Canadian is a registered trademark of its parent company, International Air Lines.

Memories

Capture them with a Canon



Canon makes it easy for you to relive precious moments, long after the event. Whether you are operating a camcorder for the first time or you are an experienced videographer,

Canon offers you a combination of features and price especially made for you — from the easy-to-use E-30 to the professionally featured A-1.

All Canon H and E series camcorders have the unique 180° Flexi

Grip™ — the only viewfinder that rotates through a full 180° to match your viewing position from any angle. All Canon camcorders come standard with wireless remote control for recording and playback.

No one knows imaging technology better than Canon. When you choose a Canon camcorder, you are buying over 50 years of experience in making quality image products.



Canon
Camovision 8

Witness what it takes to make great video.

For more information see your local
Canon dealer or write direct to Canon

CANON CANADA INC.
6390 Drexel Rd. Mississauga, Ontario
L5T 1P7, Canada

WORLD

ISRAEL

Lockout in Jerusalem

Christians protest a Jewish settlement

The massive doors of Jerusalem's Church of the Holy Sepulchre were bolted shut. Also locked were the entrances to Bethlehem's Church of the Nativity and Nazareth's Church of the Annunciation. Last Friday, for the first time in recent history, many of the holy places of Christianity were closed throughout Israel and the occupied territories. Church leaders took the 24-hour action to protest the government-supported settlement of 154 Jewish fundamentalists in the Christian quarter of Jerusalem's walled Old City. Even Israel's friends and sympathizers abroad, including the normally supportive United States, joined the rising chorus of criticism. And prospects for restored unity between Washington and Jerusalem suffered a setback in Thursday when the moderate Jewish Labour Party leader, Shimon Peres, gave up trying to form a government, leaving the field to right-wing Prime Minister Yitzhak Shamir.



Scuffle at St. John's Hospice: 'deeply disturbing'

Most analysts forecast that Shamir would form a hard-line coalition commanding a slender parliamentary majority within the 21-day legal limit. To organize such a coalition, he will likely have to adopt policies that are unacceptable to Washington, which pressures Israel with \$2.6 billion in aid annually. Shamir's opposition to a U.S.-sponsored plan for peace talks with the Palestinians brought down Israel's so-called "national unity" coalition government in March.

The assistance of creating new Jewish settlements in the occupied West Bank and Gaza Strip led to renewed U.S. criticism last week, at a time when he was already under fire in Washington over the settlement of Jews in Jerusalem's Christian quarter. A state department spokesman described the Jerusalem move as "an aggressive and provocative action," and Israel's financial sponsorship of it as "deeply disturbing."

The American Israel Public Affairs Committee, Washington's most powerful pro-Israel support group, was even more critical. The committee expressed "outrage" at the Shamir coalition government's expenditure of \$2.2 million in what it called

...a new world.
See china your way to Europe.



Revelation to the East. Can you see the world's new world? You have come to the point on the map to Europe.

Canadian

The world's new world.

"a cinematic effort" to settle Jews in the Christian quarter. And although the Israeli Supreme Court ruled on Thursday that the religious-secularist settlers living in St. John's Hospice must vacate it by May 1, the controversy was clearly far from over. Another Israeli court has yet to rule on the validity of the settlers' purchase of the premises from an Armenian Christian, who leases the property from its owners, the Greek Orthodox Patriarchate. Pending that ruling, said the Supreme Court, 20 of the settlers were allowed to stay in the building.

As a result, church leaders took their action. Before the letting of the door of Holy Sepulcher, where, according to early Christian doctrine, Jesus Christ was buried and rose from the dead, the heads of the Greek Orthodox, Roman Catholic, Anglican, Coptic and Armenian churches joined in prayer. Later, the Roman Catholic patriarch, Archbishop Michel Auliel Soboh, a Palestinian, said that the church leaders were concerned that the occupation of the hospice was "the thin end of the wedge" for a complete Jewish takeover of the Christian quarter. "After 18 years," he added, "will we find Christians around the Holy Sepulcher?"

The St. John's Hospice affair has also caused deep divisions among Israeli Jews. The veteran mayor of Jerusalem, Teddy Kollek, 79, said that it would take years for the damage caused by the incident to be repaired. Many American Jewish leaders deeply felt that the incident was particularly unfortunate at a time when Israel was seeking \$480 million in loan guarantees from the United States to help house Soviet immigrants. Abraham Foxman, U.S. national director of the Anti-Defamation League of B'nai B'rith, called the settlement "provocative and provocative." And Robert Lifton, president of the American Jewish Congress, said that his organization was "appalled" by the Jerusalem government's move, which he said "regard[ed] the historic center of Jewish Jerusalem."

Meanwhile, with the end of the Moslem fast month of Ramadan last week, the celebration, or opening, in the occupied territories flared up again. In the most violent day so far this year, Israeli troops on Thursday killed four Palestinians and wounded 159 others.

As the riots continued, Labor's Pessia, 68, who says that he favors trading territory for peace with the Palestinians, formally notified Israeli President Chaim Herzog that he had been unable to form a government. The following day, Herzog gave Pessia 74 a mandate to try to create a new administration, and Labor leaders predicted confidently that he would accomplish that within days by joining forces with small parties even further to the right than he is. As the bargaining begins, contrast and left-wing Israelis faced the prospect of the most extensive government in the 4,000-year history of the modern Jewish state—and the likelihood of increasingly strained relations with the United States.

JOHN BIERMAN and ERIC SILBER in Jerusalem and WILLIAM LOWMYER in Washington

BODY HEAT



Black & Decker's Spacemaker Plus® Thermal Carafe Coffeemaker. Imagine a cup of coffee, brewed to perfection. Imagine placing the pot on the table and for the next 4 hours or so, having every cup come out tasting as fresh and as hot as the first one. Imagine, no reheating, no over-cooked coffee. The Thermal Carafe Coffeemaker. You can't imagine coffee made better.

Available in counter or table.

Spacemaker Plus Thermal Carafe Coffeemaker

BLACK & DECKER®

THE UNITED STATES

Trouble in paradise

A doomsday prophet wears out her welcome

While other Americans celebrated Earth Day last week, Montana state Senator Peter Stuey bawled what he called a "Bad of the World Party" on his ranch near Yellowstone National Park. Stuey had planned the event to ridicule his neighbors, members of the Church Universal and Triumphant Inc., whose leader, Elizabeth Clare Prophet, had predicted that Armageddon would occur on April 23. They had built a bomb shelter, topped by a concrete watchtower with antennae gun barrels, right next to Stuey's fence line. "It's downright unsightly," he said. "My great-granddaddy taught Indians to settle this country, and I'm not going to be intimidated by that thing." Montanans who share Stuey's distaste for the church came to his barbecue in their pickup trucks and four-wheel-drives, many with the obligatory dogs in the back. There was plenty of beer and country music. And although the world did not end, many guests predicted that it was the beginning of the end for Prophet, the self-proclaimed

Mother of the Universe who had brought trouble to Paradise Valley.

The valley, a scenic swath of Yellowstone River flanked by the snowcapped Absaroka Mountains, stretches 90 km from the town of Livingston to Gardiner. Prophet, 53, who preaches a bizarre blend of religion, mysticism and the occult, moved her church there in 1981 and, last year, she twice predicted the end of the world. Despite those failed prophecies, the latest prediction panicked many of her followers. Starting in March, about 2,000 believers descended on Paradise Valley from as far away as Sweden and Australia, paying up to \$15,000 each for



Prophet: a reincarnation

space in the church's bomb shelter. Many had given up homes, jobs—even lives. But church members ran into a host of more mundane problems, including leaking tanks near the main bomb shelter that spilled 31,000 gallons of gasoline and diesel fuel, and brought down the wrath of local authorities. In early April, Prophet locked away from her prediction, telling followers that their prayers had averted a nuclear first-strike by the Soviets.

To the more skeptical media, Gena Ma, "The Mother of the Plane," as her devotees know her, displayed her cosmic calendar and offered a new scenario. April 23 was not the end of the world, she said, but the start of a 13-year "dark cycle" during which the Four Horsemen of the Apocalypse would stalk the planet. Murray Strickman, Prophet's chief astrologer, explained that there would be a continued potential for economic and military crises, but not necessarily a catastrophic one.

But the locals have expressed doubts about their neighbors' sanity. "I come here for life in the slow lane," said Katherine Schenck, a

It's a new world.



London is now a Canadian City.

Working in the Canadian cities, you'll experience the scheduled flight times work between Canada and London.

Canadian

Our world revolves around you.

For more information, call 1-800-367-8686 or visit us online at www.canadianairlines.com



Crosbie proposes reform to strengthen GATT

You read it first in The Financial Post

Day after day, The Financial Post breaks more important business news stories than any other Canadian newspaper. And because we're consistently first with the news, The Financial Post delivers news you can use. When this newspaper lands on your doorstep, you're first with the news — and that makes all the difference.

YES! I want to benefit from the impact and immediacy of news I can use. Please start my personal subscription to The Financial Post.
 I live in Vancouver, Calgary, Edmonton, London, Toronto, Montreal, Ottawa, Hamilton or Washington. Start 5 days-a-week courier delivery for 26 weeks and I'll pay just \$49.92. (GST included)
 Mr./Ms. _____
 Address _____
 City/Prov _____
 Postal Code _____ Phone () _____
 (I charge my card) (I please bill me) (I am not) Other options Jan 30 1996. No access delivery to P.O. boxes or daily courier delivery areas. Offer valid in Canada only.

THE FINANCIAL POST
 111 Bay Street, Suite 2000, Toronto, Ontario M5X 1B6
 Tel: (416) 593-8888 Fax: (416) 593-8889
 Telex: 0661000000
 Cable: 0661000000
 E-mail: info@financialpost.com

Printed in Canada
 The Financial Post is published daily except on Sundays and public holidays.
 Copyright © 1995 The Financial Post Corporation. All rights reserved.

church opponent originally from Atlanta. "Initially, I'm surprised by people whose disposable income is as high as \$100,000," Schenck called the first split "a gift" because it pointed up the church's other transgressions.

The three leading banks served the main bank shelter, designed to house Prophet and his disciples. On April 23, the day that Prophet had predicted the church to dig up 30 of its buried tales. At the same time, a district judge halted all bank-shelter construction, pending an environmental review. The Montana department of health and environmental sciences is also seeking a permanent injunction. And so many federal agencies have expressed an interest in the church's activities that Representative Pat Williams of Montana announced that he is assembling a task force to coordinate their investigations.

The U.S. forest and national parks services have and they want to determine whether the church's presence, on the boundary of Yellowstone Park, has had an adverse effect on grizzly bears, elk, antelope and bison migrations. The Environmental Protection Agency and department of transportation are looking into the legality of burning fuel tanks and underground shelters next to America's premier wilderness preserve. The FBI and the Bureau of Alcohol, Tobacco and Firearms are checking allegations of gun smuggling and the stockpiling of automatic weapons by church members. The Immigration and Naturalization Service wants to know if the church is harboring illegal aliens. And the Internal Revenue Service is taking another look at the church's tax-exempt status. It first came under scrutiny in 1983, after one of Prophet's disgruntled ex-brothers (who has been named) filed a second bar of suing church funds to speculate on the silver market.

Her second husband, Mark Prophet, joined the church in New Jersey in 1958. After stints in Colorado and California, Prophet left Mark's first husband, Edward Francis, in 1973 to move to Montana. She chose Paradise Valley, a pristine region that burns both working cattle ranches and vacation retreats of the rich and famous. Authors Peter Freuchen and Dennis Quaid, actor Tim McInnerny and musician Mahalia Parker, who died in February, all bought property there. But, in 1981, Forbes said that 12,000-acre estate at Crown Springs is Prophet's church, which attracted an assortment of newsmen, scientists, athletes, mystics and other believers as her apocalyptic messiah.

The church combines traditional Eastern and Western beliefs with a strange mix of other things: visitation, King Arthur's Court, Associated Ministers, Pagan Angels, dreamtime economics, neo-communism, astrology, the occult and neurobiological facts. Prophet claims to be the reincarnation of Queen Elizabeth, Mary Antaeus and Martin Luther. She claims to be Mary Magdalene. Many believers say that they find it surprising to look into Prophet's cross-eyed blue eyes as she recites her "crossed

shores by my hand to banish Day."

Prophet claims to be the only one who speaks to the Ascended Masters, one of whom is her late husband, Mark. Others at that heavenly host include Jesus, Buddha, for Lucius and Martin Luther. But there are also some controversial figures, including Bill Murray, Ray Charles and K. C. P., whose sexual predilections are less clear. Prophet asserts their teachings in the form of what she calls "dictations," delivered as tape-like notes, or books and bulletins called "Books of Wisdom." Some of the titles include The Last Years of Jesus and Secret Commands on Arklay.

Prophet's third husband, Randall King, who

lost court for a reported \$38,000, claimed that Prophet forced church members to confess their most intimate sexual secrets, then used them to instill all their faith.

A Long Island, N.Y., man who sued for the return of his inheritance told court that he gave Prophet more than \$138,000 after she convinced him that she was his "mother from a former life on another planet." And a California architect, Gregory Mull, won a \$1.6-million lawsuit when the court ruled that he had become a slave of the church.

Much of the background was well-known by the time the cult arrived in Montana. Articles in the daily *Bellevue Gazette* described church

Cult, to Montana. By then, the church had acquired two more ranches in Paradise Valley, expanding its holdings to 20,000 acres. Then, church leaders built a private school, a university, a publishing house and brought in several hundred disciples, who were living hours for wages averaging \$150 a month. While the cultists clearly made people nervous, local contractors made large profits building church members' homes and digging their desert shelters.

The cult did not show its dark side until last year, when Virginia Hamilton, head of the church's so-called Cosmos Flower Guard, was arrested in the state of Washington for trying to buy 40-caliber anti-aircraft guns under an assumed name. The resulting trial drew attention to other allegations. Schenck, who hosts a weekly radio show in Livingston called *A Closer Look from Solomons*, was contacted by outraged businessmen and wives from around the world seeking children who they said were indoctrinated by the other parent. And some of those children began running away from the church, claiming mental and physical abuse.

Schenck and ex-cultist Constance Wagner founded the Network of Friends, which finds houses for the runaways and helps adults cope with the trauma of leaving the church. "I've seen a hour up (leaving) because I picked up the pieces," Schenck said. "The children suffer neglect and abandonment. The adults are despairing, paranoid and broke."

Those still in the church deny the allegations. Carla Caputo, a Vancouver woman whose father accused her of abusing her children, admitted that she had to leave them behind when she went to Montana a year ago. But that, she said, was only because her ex-husband, with whom she had joint custody, refused to let her go with her. "I don't know why my father and those things about me," she said. "My ex-husband allows the children to visit me whenever they call, so obviously he's not worried about them being brainwashed."

Schenck said that the cultists' deepest fear is to lose their children, and that they are no longer welcome in local towns. "This is the end of the church," she said. "They cannot use the bank shelters, their credit has run out and they're starting to lose faith with Mrs. Prophet." Schenck predicts that the church would soon be a wasteland from the church, promoting local authorities with a "psychological state of emergency." To which Prophet, severely replied, "We will prevail."

BOGER JENSEN is in Irvine, Calif.



Entrance to a church bank shelter; prayers allegedly averted a Soviet nuclear strike

was once president of the church and later sued for \$32.4 million, said that she was a friend of her father and church husband, Edward Francis, operates the ranch and says that he is the reincarnation of Captain Cook. Three of her four children also work for the church, but a daughter, Mona, who defected last year, says that her mother is a "hypocrite." Prophet's former secretary, Susan Molokach, who was thrown out of the church for having a man in her room, says that her boss had a particular obsession about sex. "That got you the second death," she explained, in which the holy party is compared to "50,000 years of outer darkness."

Many former church members say that Prophet is insane. However, they also point to a series of a grandly efficient money-making machine that targets only wealthy people, then threatens them with eternal damnation or sexual blackmail until they turn over their fortunes to the church. Prophet herself will not say how rich she is. But King, who settled his lawsuit

members as a bankrupted gambler buying gold and guns in preparation for the apocalypse. When they were not "increasing," a rape-fund paralytic that is their version of prayer, the people reported that the cultists were giving each other ritual anoints. Anyone who offended the church was placed on a "ban list" and subjected to chants of "amen, amen, amen!" Three court reporters who made the list all suffered brain left tips in accidents within a few months of each other.

Park County was soon in an uproar, and local residents said that cults, intermarriage and common were enough to make any upstanding Montana gather up his family and barricade the house. But nothing happened. The church did not proselytize and it did not, contrary to early predictions, try to take over the county government. Fewer than 50 cult members actually lived on the old Fisher place after the church bought it, and the factor died down. There was renewed controversy in 1994 when Prophet moved her headquarters from Malta,

A STUMBLING GIANT

HYDRO-QUEBEC'S SEVERE PROBLEMS ARE TARNISHING ITS IMAGE OF TECHNOLOGICAL PROWESS

Lise Bacon, Quebec's minister of energy and resources, seemed about to lose her temper. She emerged last week from a special session with her cabinet colleagues, concerned to discuss Hydro-Quebec's chronic labor problems, and she quickly declared that she had given heed of the bitter, 16-month-long dispute that is crippling the province's giant electricity-producing utility. "The conflict has gone on long enough," she said. "It's high time people acted these negotiations." With that, she ordered the winning representatives of the publicly owned corporation and 14,900 unionized trade, technical and office workers to resume their dispute within days, or face the prospect of mandatory back-to-work legislation. Added Bacon: "The situation is serious. We cannot wait for it to become disastrous before we act."

The situation at Hydro-Quebec is already dramatic. And while the utility's continuing labor wars are part of the problem, they are symptomatic of a much larger dilemma: The Crown corporation, a \$34-billion behemoth employing 50,000 people, is the chief of the Quebec government's economic plan for the future. With electricity sales in Quebec of \$5.3 billion, and sales of \$304 million to the rest of Canada and the United States, it accounts for roughly five per cent of the province's gross domestic product. It also has a \$23-billion foreign debt, and so Quebec government can silence it to be under siege. But now it is facing severe problems that, in recent months, have conspired to tarnish the image of an institution that was once the living symbol of modern Quebec's technological prowess. Governors Hry-Hydro-Quebec spokesman Jacques-Alexandre Gosselin: "I think it is true that, for several reasons, we are suffering from a crisis of confidence in the public eye."

The strike caused by the 14,900 members of



The LG2 project at James Bay, Bacon (below): "The situation is serious."

the Canadian Union of Public Employees, who have been engaged in a series of rotating strikes since October to press demands for stronger special employment wage increases, is one of the reasons. Others include the fact that Hydro-Quebec is under attack from many of the system's three million long-suffering domestic consumers. They not only have to endure poor service from much of its distribution network, but they are paying 7.5 per cent more for their power than they did a year ago. Environmentalists, both Canadian and American, have launched widely divergent actions aimed at curbing the corporation's ability to sell electricity at home as

well as export it abroad. At the same time, critics argue based in the James Bay area of northern Quebec, where the key to future hydro-expansions lies, are challenging the utility in the courts and by means of a sophisticated media campaign. The federal government is also engaged in a protracted dispute with Quebec over environmental studies on the proposed second phase of the massive James Bay project, covering an area the size of France. Still, Hydro-Quebec is pressing ahead with plans to erect \$56 billion over the next decade to develop two gigantic projects in the region that will eventually generate 11,460 megawatts of electric

power. The project would also create thousands of jobs.

Construction has not yet begun, but the \$500-million Great Whale project is scheduled to be in place by 1994. The \$1,400-million Nainivay-Barrabec-Rupert project is targeted for completion by 2006. Both follow the \$13.4-billion, 10,360-megawatt first phase of the James Bay development—the La Grande 1 project—which was completed six years ago. If the two new projects are implemented, Hydro-Quebec will have

power. The project would also create thousands of jobs.

Construction has not yet begun, but the \$500-million Great Whale project is scheduled to be in place by 1994. The \$1,400-million Nainivay-Barrabec-Rupert project is targeted for completion by 2006. Both follow the \$13.4-billion, 10,360-megawatt first phase of the James Bay development—the La Grande 1 project—which was completed six years ago. If the two new projects are implemented, Hydro-Quebec will have

power. The project would also create thousands of jobs.

Construction has not yet begun, but the \$500-million Great Whale project is scheduled to be in place by 1994. The \$1,400-million Nainivay-Barrabec-Rupert project is targeted for completion by 2006. Both follow the \$13.4-billion, 10,360-megawatt first phase of the James Bay development—the La Grande 1 project—which was completed six years ago. If the two new projects are implemented, Hydro-Quebec will have

BARRY CAME in Montreal

Business Notes

CANADIAN COMBACE

Montreal's National Bank of Canada that may offer him to retain control of Canada's Corp. of Toronto. In January, the National Bank 25 per cent of the company's shares held by Compaq, which he deflected on payments on an estimated \$150-million personal loan. Now, the bank says that it will return the shares for \$50 million, giving Compaq a 51 per cent share of the company. He has until Jan. 31, 1991, to raise the money.

FLOWING SOUTH

Reversing a decision it made last fall, the National Energy Board has granted Western Gas Marketing Ltd. and Shell Canada Ltd., both of Calgary, District Energy Marketing Ltd. of Toronto, and Indeck Gas Supply Corp. of Whiting, Ill., tentative approval to export a total of 533 billion cubic feet of natural gas over the next 20 years to the United States. The export plan still has to meet environmental standards.

BAT BID DROPPED

Sir James Goldsmith, the Anglo-French financier, dropped his \$25.5-billion hostile bid for BCI Industries PLC of Britain. A spokesman for Goldsmith said that he would not renew the offer, which had hoped pending British and U.S. regulatory approvals. Meanwhile, two, an international conglomerate, sold its high-tech defense systems division, Selen Electronics, for \$175 million to Invenstar, an international investment group.

CHURCH COSTS UP

Eastman, the British-French company building the classical twin towers in England and France, raised its estimate for the cost of completing the project by as much as \$1.4 billion, up from the original 1987 estimate of \$16.6 billion.

AMEX GETS ON AHEAD

The federal Justice department has issued New York City-based American Express Co. a formal approval to establish a bank in Canada. Canadian bankers had strongly opposed the action because, they said, it will enable American Express to offer its basic checks such services as direct-mail marketing.

GM REPEALS

General Motors of Canada Ltd. of Oshawa, Ont., announced that the introduction of Chevrolet Camaro and Pontiac Firebird sports cars will be built at a St. Thibault, Que., assembly plant. The plant currently has a workforce of 3,200.





A new school for former Communists

BY PETER C. NEWMAN

Enough to run a machine—at this point, still a rare commodity—is being installed at the Prague School of Economics, a post-Second World War four-story concrete-and-glass structure off historic Wenceslas Square. It was donated by Pávek Foundation, a Toronto-based real estate developer, to get the first private contribution to the Canadian-sponsored International Management Centre—which will eventually turn out the MBAs who will help manage Czechoslovakia's post-Communist economy.

Like the other former Soviet satellites, the little middle-European nation's march to capitalism is hampered by 40 years of communist ideology, which held that any loyal party member could manage anything and that to think otherwise was "bourgeois and elitist." There is no one trained by the previous system to run a competitive enterprise in the country, a place where the government is working frantically to institute economic reforms.

The Canadian initiative is being spearheaded by George Vilim, an independently wealthy Toronto investor who emigrated to Montreal in 1981 after studying law at Prague's Charles University. Over the next decade, he became head of Nesher Thomson Ltd.'s equity research department and later took the company overseas by opening the investment dealer's London, Zurich and Beirut offices. "I used to cover Kuwait and Bahrain at a time when neither had airports and we had to land our DC-3 in the desert," he recalls. He later was a founding partner of Morgan, Odette & Hutton Ltd., the Montreal boutique brokerage house that specialized in taking private Quebec companies public.

After moving to Toronto in 1986, Vilim established Caninvest House Ltd., one of the first investment firms to deal exclusively with institutional accounts. He has now deflected his private holdings into Torval Management Inc., a family company now run by professional asset managers. Though he was preoccupied with making himself rich, Vilim was always interest-

Wealthy Toronto businessman George Vilim, a former Czech, is leading an effort to bring formal business education to Prague

ed in education and served as first president of the Investment Dealers' Association. Canadian academics, which still sets the educational standards for services brokers, he later chaired the Toronto Stock Exchange's educational committee and lectured at McGill University.

These and other contacts in the educational field helped him last winter, when Vilim decided he would drop all his other commitments to establish a management school in Prague. Vilim flew to his former homeland and, with the help of Canadian Ambassador Barry Mearns, got to meet department heads at the Prague School of Economics. Over the past six months, an executive development program has evolved, which will offer four different options of study.

"The man who is right now," he told me just before leaving again for Prague, "is to help people here to get some understanding of Western business methods and exactly what running a market economy is all about. We can't take the usual number of years to educate MBAs, so we'll be taking groups of middle managers through the school to give them a feel for what it's like to budget, what cash flow means, and how to draw up a business plan."

The courses will include two-week programs for 50 middle managers in marketing and finance, five-day seminars for senior managers on the theory of modern entrepreneurial techniques, profiling sessions for management trainees, which will include terms in Prague and Toronto, and, eventually, MBA (Business School Administration) and MBA degrees, lasting four and two years, respectively.

Faculty for all this activity will be shared by Vilim and the Prague Institution, with funding from private Canadian sources (Toronto-based Vilim is expected to be a major contributor) and \$1 million expected from Ottawa—in annual already budgeted for tender grants to Hungary and Poland. Interestingly, most of the textbooks used in each of the courses will be in English, which it turns out was Czechoslovakia's underground language. Students for the past 40 years have taken their compulsory Russian classes at school, then gone home to listen to Radio Free Europe and other Western propaganda outlets.

Although the Prague School of Economics was not recognized as a university because business was not considered a legitimate subject for higher education, its status is currently being upgraded. One of Vilim's long-term plans is to use the school not only as a teaching centre but as a resource for teaching marketing and management courses. It is also planning to become a management consultant in Prague and will begin sponsoring a conference in Toronto and Los Angeles this fall for 250 Canadian and American business leaders on how to do business in Czechoslovakia.

At the same time, he intends to bring over 20 Czechoslovak managers—sponsored by Enterprise York—for a summer stint at York University, with financial help from the provincial and federal governments. They will travel the country and watch how Canadian business operates on the spot.

For a crash course on how to do start and operate your own small business, Vilim is using a video-sponsored by the Bank of Montreal. "The Czechs are terribly excited about it," he says. "They're not even waiting for the translated copy to be finished or for government legislation that will actually allow them to go into business for themselves."

Still, the question remains whether the Czechoslovak mentality can adapt itself to the hard, Darwinian world of competitive business. "I've now been in Czechoslovakia twice for 30 days at a time," says Vilim, "and I can tell you the Czechoslovak government is doing some extraordinary things in the way of conditioning the population on what to expect. They're extremely realistic and well prepared for the inevitable hardships. They also know that it's the price of their newly won freedom."

The Prague government has been almost ecstatic in supporting the Vilim initiative, even at times that, without it and similar educational efforts, its brave revolution can never succeed. George Vilim made his fortune in Canada but now, like many of his compatriots in Eastern Europe, he feels he must give something back to his home country. It's a sentiment that more Canadians should follow.

NO FEES
FOR MOST CHEQUING SERVICES

HIGH INTEREST
ON SAVINGS ACCOUNTS

AND SCRATCH & WIN
UP TO \$50,000 INSTANTLY!



EVERYONE'S A WINNER* AT CENTRAL GUARANTY TRUST!

Here's how it works: You simply deposit at least \$1,000 in a Fee-Cutter chequing account or \$3,000 in a Super T-Bill savings account, and you could receive up to \$50,000 on the spot! There's up to \$14,000,000 to be won, and everyone wins cash. Offer ends soon, so hurry in to a Central Guaranty Trust branch today!***

CENTRAL GUARANTY
CENTRAL GUARANTY TRUST COMPANY
Canada's Third Largest Trust Company

Member of Canada Deposit Insurance Corporation

The Governor's Gamble

AS INTEREST RATES
SOAR, DEBATE
RAGES OVER JOHN
CROW'S PURSUIT OF
ZERO INFLATION

John Crow, the pettifogging, 63-year-old Louisville-born governor of the Bank of Canada, is on a desperate mission. His stated objective: zero inflation, the Holy Grail of monetarist economic policy. And the weapon he has chosen to achieve that is the intimidating Bank of Canada interest rate. So far this year, the governor has raised rates 11 times, to an almost night-year high of 13.80 per cent last Thursday, from a low of 12.14 per cent last Jan. 18. As a result, a middle-income Canadian pays a much heavier 146 per cent when he takes out a bank loan to buy a new car or other consumer goods. Still, inflation remains just above five per cent, and critics say that Crow's dogged pursuit of his economic ideal is unnecessary, outdated and has pushed the nation to the very brink of recession. Declared Douglas Peters, chief economist at the Toronto-Banque Bank: "Crow is running a stupid monetary policy."

Disillusioned with Crow and his harsh high-interest-rate policy isolated last week from traditionally conservative businessmen and politicians, some of whom

Crow, despite criticism, pressure to lower rates even higher

17.26% 1980
Bank of Canada rate
(year-end)

say that the governor and Finance Minister Michael Wilson may be deliberately trying to push the country into recession, posed the controversy on Tuesday, Stelio Iak, chairman of the firm's annual meeting in Hamilton, that high interest rates had cut into the company's profits, forcing it to eliminate at least 800 jobs. And in Ottawa, Donald Bleskorn, the Conservative chairman of the Commonsense committee, said that he will support Crow to explain his policies in hearings next week.

Crow's policies are one way of acting a high price. Statistics Canada reported last week that housing starts across Canada declined by 25 per cent in March, compared with March, 1980. As well, the department of consumer and corporate affairs reported a 50-per-cent increase in bankruptcies in January and February of this year, compared with the same period a year ago. Said Ernest Strain, director of Canada Services for the WEA Group of economic forecasters: "Does the Bank of Canada want to create a recession? It seems that it does."

Despite spreading layoffs and economic uncertainty, Thursday's 0.93-per-cent postage-point bank rate increase to 13.80 per cent, the sixth weekly increase in a row, reflected Crow's relentless determination to reach a

zero inflation rate. But inflation is just one of many powerful factors—some of which are directly beyond Crow's control—that are pushing up Canadian rates. The need to attract foreign investors to finance Canada's burgeoning \$300-billion national debt is also a major factor. As well, the constitutional crisis created by the Meech Lake accord has caused confusion and deep concern internationally over Canada's future, and the bank has to steadily increase rates to attract critical foreign investment, including buyers for federal treasury bills and bonds.

In the same case, inflation rates are rising in the United States, Japan and Europe, forcing central bankers in those countries to also raise their interest rates. As a result, Canada has to keep its bank rate competitive against other world rates to get its share of foreign investment. And last week, there were signs that a worldwide surge in demand for money will put

even greater pressure on Crow to raise Canadian rates higher. In Bonn, the West and East German governments announced that their currencies would be merged essentially as a one-time basis in July. But West Germany may have to become heavily in financial unpreparedness and, when the proposed union takes effect in July, it will likely be inflationary, as post-up East German consumer demand is rapidly unleashed.

Foreign: In mid-May, Canadians will get a clear sign of just how much Crow's monetary policy is backed up by international monetary forces, when the U.S. treasury department holds its quarterly auction of treasury bonds. About \$140 billion in bonds will be offered for sale. While Japanese investors are usually major purchasers of 25 per cent to 30 per cent of the bonds, two weeks ago they collected \$7 billion worth of U.S. bonds. If they fail to buy at their historical rate at the upcoming auction—the date of which will be announced on May 2—the United States will be forced to raise its rates to attract investors, leading to what some

economists fear will turn into an international interest-rate war. And Canada, with its high national debt, could be one of the biggest victims.

Despite the gathering storm on international money markets, Crow says that the overriding focus of his monetary policy is to bring inflation out of the economy. Indeed, Crow, who was appointed governor of the Bank of Canada in February, 1980, meets weekly with Finance Minister Michael Wilson and—being in one of the most powerful positions in federal government—has the authority to direct monetary policy in Canada.

And despite Crow's best efforts to communicate more effectively to the public, he still declines most interview requests, including several from *Maclean's*. In that, he is following the practice of most central bankers. All of them say that an unspoken comment could cause a run on the currency or unleash other financial upheavals. "As a matter of principle, you are never going to get colorful, oversimplified and underqualified commentary from the bank," Crow once said in a speech. "Such commentary may make for better copy and bigger headlines, but it risks causing exaggerated responses in financial markets."

Pension: Still, he recently said in the Bank of Canada's 1980 annual report—released earlier this year—that even helping out the value of the Canadian dollar in currency markets is secondary to his inflation-fighting goal. It is a belief and position that he inherited while being groomed by his predecessor, Gerald Bouey, who headed the powerful institution from 1973 to 1980. Throughout his two seven-year terms, Bouey also said that interest rates should

without, resorting to borrowing. With less money being paid out in interest, Peters says, consumer demand would decline without the need for painful monetary restrictions.

As well, Peters added that a continued reason would force inflationary pressures caused by the need to finance the national debt, because each percentage-point increase in rates adds about \$1.7 billion to Ottawa's borrowing costs and to the national debt. Completely eliminating the difference between Canadian and U.S. interest rates, maintains Peters, would cut the government's \$30.5-billion budget deficit by almost \$8 billion. "He has reason to maneuver," said the economist. Added Duncan Cameron, a University of Ottawa political science professor: "We don't have to have a five-percentage-point difference. If Crow brought interest rates down, then that would take care of a big part of the deficit problem."

Meanwhile, Canada's hard-pressed exporters say that high interest rates have pushed the

value of the Canadian dollar too high against the U.S. dollar and that a pricing them out of the world markets. Many of them claim that it should be allowed to fall to 76 cents from Friday's level of just under 80 cents (U.S.). That neither Crow nor Finance Minister Michael Wilson has indicated the government's view of an ideal exchange rate of the dollar. Said Wilson: "We are not following a policy which is deliberately designed to increase the level of the Canadian dollar. We are following a policy which is rationally designed to get inflation under control."

Crow's critics also argue that it is impossible to tell if the governor's inflation-fighting strategy will eventually decrease inflation. In the bank's 1980 annual report, even Crow acknowledged that the strategy had not yet achieved its objective. Said Crow in the report: "The Bank of Canada actions did not result in any improvement in our inflation performance."

Impact: In fact, despite the almost constant rate increases, last month's consumer price index (CPI) showed that inflation has moderated only slightly—to 5.3 per cent in March from a 5.4 per cent annual rate in February. And economists say that it may be too early to tell if consumers are changing their spending habits as a result of Crow's policies because the dampening impact of higher rates could take several years to show up.

And one traditional measure of the magnitude of interest-rate gains as a comparison with consumer price index increases. While the CPI has risen by 14 per cent in the past three years, real interest rates, the average prime rate offered by Canada's leading banks after subtracting inflation, have risen more rapidly than the growth in gross domestic product, the total value of goods and services produced within the economy. The resulting shortfall forces



STYLING: JANE BROWN



A SURGE IN THE DEMAND FOR MONEY MAY CAUSE AN INTEREST-RATE WAR

Canada to borrow to cover interest on its national debt, increasing the indebtedness that it has pledged to cut.

The same principle applies to a family with, perhaps, car payments, a mortgage and other home-held debts, whose income is rising slightly to stay with inflation. When the real cost of meeting interest rates exceeds the rate of income growth, the family is forced to borrow more in order to maintain the same living standards.

Vulnerable: High interest rates have added structural Ottawa's capacity to limit the growth in the national debt. In the past three years, the cost of interest payments on the debt rose by 46 per cent, double the rate of increase in federal spending. By comparison, in the United States, where the national debt is \$331 billion, payments on the debt are proportionately about half as great—U.S. interest payments cost about 5.6 per cent of its gross debt, compared with Canada's 11.2 per cent. Says Carl Beggs, chief economist at Michael McCarthy Ltd., a brokerage firm in Toronto: "The combination of a major current account deficit, very, very high interest rates and a very vulnerable budget deficit suggests that maybe we should go back and take a hard look at the overall policy package we are pushing."

Still, while economists like Beggs risk for at least a decade of volatility to Crow's policies, many others believe that, peaceful or not, Crow is following the correct path. John Farnis, assistant chief economist at the Bank of Montreal, said flatly: "The Bank of Canada is on the right track. It is an unpopular policy, nobody likes it. But it is the only way to live with it. If you don't take high interest rates now, then inflation will be higher, which will cause higher interest rates."

Part of the difficulty facing Crow is simply the size of that debt. Said economist Michael Walker, executive director of the conservative Vancouver-based Fraser Institute: "There is \$26 billion worth of Canadian government debt held by foreigners. This changes the whole ball game." The Japanese alone finance at an estimated \$40 billion of Canada's \$330-billion national debt—and the

rates Canada must offer to foreigners on government securities such as treasury bills and bonds are being pushed together by international events beyond Crow's control.



Stokes's Adam: Missing 600 lost jobs on high interest rates cutting into profits

Many of the economic upstarts are unopposed. For one, the rapid and breathtaking political changes in Eastern Europe, including the full integration of the East and West German economies, requires staggering amounts of new investment capital. As the demand for capital grows, interest rates throughout the West have climbed.

Indeed, the demand for money has been so great that offers from 40 countries and organizations are involved in negotiations to create a new European Bank for Reconstruction and Development, which will have an initial investment of \$34 billion. The United States, contributing 10 per cent of that total, will be the bank's largest external member, while Canada will make a 3.5-per-cent share.

Pressure: At the same time, West Germany and Japan, two of the world's leading creditor nations, have themselves come under inflationary pressure, as economic problems largely foreign to them since the end of the Second

World War. Since January, central bankers in the two economic powerhouses have raised rates sharply to 8.25 per cent in Germany and 5.25 in Japan, compared with average rates last year of 6.6 per cent and 2.5 per cent.

World interest rates threatened to spiral even higher last week after West Germany confirmed that it would proceed with its costly conversion plan for the East German economy as a step towards unification later this year. If interest rates continue to rise in West Germa-

the Royal Bank of Canada: "The money could leave quickly and that really has Crow's hands."

Warnings: Indeed, some top-level executives are apparently increasingly concerned that the Canadian economy is as sturdy as a rock. According to Milton Rotman, a senior policy analyst with the C.D. Howe Institute in Toronto, the debate over March 1990 may be causing investors to reassess Canada's economic future. Yields on 25-year government bonds, which typically rise when investors fear inflation in the future, have climbed to 11.45 per cent from 8.42 per cent in Canada since January. Yields on long-term bonds are now 2.5 percentage points higher than those in the United States, compared with a parity spread between the two countries of about 1.25 percentage points. Added Rotman: "We are not very big. We don't reflect the needs of other countries, but our rates are influenced by them. And there is a lack of long-term confidence in Canada, by both foreign and domestic investors."

As well, a spokesman for Germany's Deutscherbank reportedly advised investors to reduce holdings in Canada amid political differences—along with high interest rates—recorded. Said one bank spokesman, who requested anonymity: "The debate about the March 1990 accord and Quebec sovereignty can only at-

tract uncertainties and political risks of the Canadian currency."

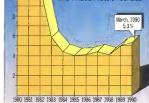
Still, John Farnis, vice-president for International Business and Economics at the Washington-based Center for Strategic and International Studies, and that American financial observatory have recently been pessimistic about the Canadian economy. But he explained

the red, perhaps only a smaller drop and crash, not the one that Crow is warning.

TOM FENNELLS with GREG W. DITLOFF and PATRICIA CHANNAR in Toronto. BRUCE WELLS in Ottawa. PETER LARSEN in Seattle and WILLIAM LINTNER in Washington.

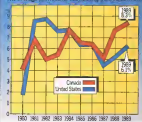
BATTILING INFLATION

The inflation rate in Canada



REAL INTEREST RATES

The average (after taxes, subtracting the inflation rate)



SOURCE: THE BANK OF CANADA



Windsor's Jackson family: casualties of an economy squeezed by interest rates

NEW FEARS OF ECONOMIC RUIN

THE LIST OF VICTIMS GROWS

Russell Jackson says that the announcement just did not make any sense. Late on a Friday afternoon last month, the 30-year-old Windsor, Ont., factory worker was told to shut down the catering service he operated for automobile-parts manufacturer Bristol Casting Ltd. Jackson says that he was surprised because, despite slumping North American car sales, the company's production line had not shut down in the previous 18 months. The next day, he says that he drove past the plant and discovered the firm's parking lot filled with cars. He went inside and found the company's managers meeting in the boardroom. They told him that because of a high Canadian dollar the company could no longer match the prices of its U.S. competitors. Like the families of 75 other production workers who suddenly lost their jobs, Jackson, his wife, Brenda, and three young daughters now face the grim uncertainty of his unemployment in a city where six other auto-parts plants have closed over the past year.

Says Jackson: "I'm not having much luck finding a job. It's unbelievable how easy plants have been closed." With that, Jackson joined the list of casualties in an economy squeezed by Bank of Canada governor John Crow's high-interest-rate policies.

Pinching: As high rates continue to drive up borrowing costs and make the dollar more attractive to investors, increasing its value, they are punishing exporters and the country's small businesses, farmers and homeowners. Even some of its largest corporations are suffering. As well, many western Canadians, who are just beginning to participate in the strong economic growth that Central Canada has enjoyed since 1983, say that Crow risks plunging the entire country into a recession in its fight against what they claim is largely a southern Ontario problem. Warned Alberta Premier Donald Getty: "I think it's going to grind us to a very dangerous halt."

Already, there are disturbing signs that Crow may be pushing the economy beyond the

breaking point. Last week, Ottawa's department of consumer and corporate affairs reported that Canadian bankruptcies in the first three months of 1990 totalled 11,421, up a dramatic 29 per cent from the same period a year ago. The bankruptcy rate is now greater than that of the 1982 recession, when there were 41,608 bankruptcies over the course of the whole year.

A higher prime—the rate charged by banks to their best customers—has led to higher mortgage rates, now averaging about 14.25 per cent for a one-year term. As a result, housing sales, one of the most interest-rate sensitive sectors of the economy, are dropping. Last week, the Canadian Real Estate Association reported that resales of houses in 25 Canadian cities fell to 77,720 in March, a 22.3-per-cent drop from the same month a year ago. As well, Royal LePage Ltd. of Toronto, one of the country's largest realtors, reported that its profits for the first three months of 1990 plummeted by 79 per cent to \$1.5 million, compared with \$7 million in 1989 in the same period. Real estate agents and builders blame the Bank of Canada for the home-buying rut. "For every percentage point rise in the interest rate," says Gordon Thompson, president of the Canadian Home Builders' Association in Ottawa, "300,000 people fall out of the real estate market."

Loss: Reporters, who are responsible for about 30 per cent of the country's gross domestic product, the total value of goods and services produced within the economy in a year, say that they are being severely pinched by high rates. Last week, Hamilton-based steelmaker Stelco Inc. reported a \$13.3-million loss in the first quarter of 1990, compared with a \$33.7-million profit during the same period last year. Stelco chairman and chief executive officer John Allan blamed high interest rates and a high Canadian dollar for the slumping reversal, which is tied to a 16.3-per-cent drop in steel shipments. With its markets drying up, Allan announced that Stelco will be forced to eliminate 800 jobs from its total payroll of 16,000 by the end of 1990 through a mixture of attrition, plant closures and consolidations.

Like many manufacturers, Allan says that Crow's well-publicized intention to devalue the may permanently damage Canada's industrial base. He added that, by supporting the dollar at unreasonably high levels, Crow harms Canadian exporters by increasing the cost of their products abroad. Declared Allan: "For the last couple of quarters, our prices have actually been declining, so we're not really the cause of inflation." Added Todd Rietz, senior economist with the Canadian Manufacturers' Association: "Manufacturers are being squeezed by the combination of high interest rates, an overvalued dollar and the economic difficulties Crow should lower the bank rate and let the

Rub shoulders with Royalty.



Crown Royal®

SOME MANUFACTURERS SAY INDUSTRY MAY BE PERMANENTLY DAMAGED

dollar drops to 75 or 80 cents, which is what it is worth."

Crow's policy is forging an unlikely alliance between business and labor, with leaders of the country's major unions signing their new contracts by giving the price for the high cost of money. They say that automobile workers have been hit particularly hard over the past year, as high rates have aggravated a sharp decline in sales of domestic cars. Those sales—an important indicator of economic health in Central Canada—fell by 20.5 per cent in the second 10 days of April compared with the same time last year.

In addition to driving up the cost of consumer bank loans for new cars, high interest rates have also increased the cost to dealers of borrowing money to keep large inventories of unsold cars on their lots. As a result, they have reduced their orders of new cars, forcing manufacturers to reduce production and lay off workers.

In the Windsor area alone, more than 1,000 members of the Canadian Auto Workers union have lost their jobs since last March as a result of plant closings and layoffs. Says Phil Beccatti, a CAW national representative in Windsor: "It's scary." Union leaders add that, while their members have lost jobs as Crow's war against inflation, the wages of others have barely kept up with the increasing cost of living. Unemployed wage earners in Canada's manufacturing sector averaged 5.6 per cent last year, compared with an inflation rate of five per cent.

Cutbacks: Meanwhile, the Big Three automakers—Ford, Chrysler and General Motors—are counterattacking by identifying costly rebate and interest-rate reduction incentives. Last week, both Ford Motor Co. of Canada Ltd. and General Motors of Canada Ltd. introduced a new round of sales incentives, including 30-per-cent financing, higher cash rebates and discounts on selected vehicles. But maintaining what is, in effect, their once low-interest-rate policy is becoming increasingly costly. Jack Oswald, Ford's vice-president of sales and marketing, says that his company

will have great difficulties absorbing the costs of incentives if rates keep rising.

Across the Prairies, high interest rates are hurting farmers as well. Brian Cooper, a 44-

because the Canadian Imperial Bank of Commerce reduced line credit, Cooper says that, while local suppliers will seek to pass on their own higher interest costs through increased prices, farmers cannot charge consumers more because the federal government sets the price of their grain and it cannot raise prices because of a worldwide oversupply of grain. Says Cooper: "We didn't cause inflation, but we're at the bottom rung, so there's no way to pass on interest-rate charges."

Bankruptcy lawyers are laboring under huge debts, which totalled \$5.5 billion in 1986, the last year for which statistics are available. Geoffrey Stevenson, president of the Saskatchewan Wheat Pool, estimated that interest payments have cost wheat growers \$600 million each year since rates started to climb sharply in 1984. Moreover, each percentage-point increase in farm loan rates adds \$48 million of debt to farmers' annual operating costs. The interest rate for most new farm loans is now 16 per cent, and Stevenson says few farmers can afford it. He added that, in some areas of Saskatchewan, up to 15 per cent of farms are bankrupt or operating under debt restructuring plans. Another 20 per cent, he claims, will face major financial difficulties this year.

W&L: Indeed, many westerners feel that they are being unfairly punished in order to fight the government's proclaimed inflation danger, which is negligible in the West. Alberta's Getty, for one, told Maclean's that his province has "only recently started to participate in what has been a very strong growth period for Canada, and so we aren't too bad and have unemployment falling, investment growing and house sales strengthening, suddenly we're being hit with high interest rates, which are going to stop that." He added, "We think that the Bank of Canada is responding to a strong, overvalued situation in a small part of our country, southern Ontario."

Still, most economists say that interest rates are unlikely to fall until outcomes of the earliest of them. Crow's self-described anti-inflation medicine may be more than many patients can endure.

MICHAEL HARRISON with RAL GOWIN in Vancouver and DONNA ROY/CHINA in Toronto

HOW TO EXPAND ON A GOOD IDEA.



Introducing Puroletter Ultra. It's a new legal size envelope with unique accordion sides for 64% more room. And it's only available from Purolator.

Like Puroletter and Puroletter Plus, it's scuff, tear and water resistant to ensure your documents arrive intact—and on time.

All three feature a convenient new design to make your selection of our services even easier. And of course, we'll guarantee prompt overnight delivery!

The new line of Purolatters from Purolator Worldwide are going to be well-received. Call our hotline for your free supplies today at 1-800-587-5023.

Purolator
courier
EXPECT IT FROM US.



Oswald: counterattacking with rebates and low-interest loans

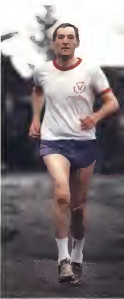


THE INFLATION FIGHTER

JOHN CROW'S RESOLVE IS UNSHAKEN

Shortly after dawn on a morning day last week, Bank of Canada Governor John Crow—in grey jogging shorts and a white T-shirt—embarked on his usual, briskly paced 20-minute run near the banks of Ottawa's Rideau Canal. As he rounded the end of the driveway in front of his modest grey-stone house in the quiet neighborhood known as Ottawa South, he joined the thousands of other Canadians beginning their morning routines. But the banker, politician, 53-year-old Crow is not just any Canadian: he is the high priest of Canadian monetary policy whose decisions affect every citizen. For the roughly three years he has been governor, Crow has been the subject of pointed criticism because of what he describes as an unwavering fight against inflation. That campaign has driven interest rates to sky-high levels. In fact, Crow's determined stance recently earned him the nickname "Joking Clobber" on Bay Street, a reference to Fed. Bobby Clark, the heavy-handed monetary player credited by the national comedy group The Royal Canadian Air Force.

Battle: Crow's battle has become a lonely one. Still, he has managed to absorb the attacks, and he occasionally repeats his message that inflation is an ever-present threat to the Canadian economy and that high interest rates are the only effective defense. Currently, only a handful of chastened bank presidents, economists and right-wing activists—as well as Finance Minister Michael Wilson's supporters like Eapen—who say that the dollar, driven up by foreign investors attracted by the high interest available, is putting Canadian products out of international markets. Canadian businessmen are seeking relief from mortgage rates that have reached 14.25 per cent for a five-year term, the highest levels since the 1982 recession. Even the Commonsense Finance Committee has denounced Crow's deflationist policies in a tongue-lashing letter early this month. "Through it all, the governor's only seems to become more unshakable. God Cook-Sherman, a former Bank of Canada director" "This is not a job for somebody



Crow on his morning run: waging a lonely battle

who wants to win a popularity contest."

Yet, it is his growing reputation for predictability that has become one of the most valuable weapons in Crow's arsenal. It is a quality admired by both foreign and domestic investors.

As a result, Crow has used his anti-inflation policies to help strengthen international confidence in the dollar, even though interest rates are putting pressure on Canadian businesses and consumers. While previous bank governors gave more weight to issues of loan placement and economic growth, Crow's focus is more on inflation and the dollar's performance in international currency markets. Said Michael McCracken, president of the Ottawa-based economic consulting firm Intermetrics Ltd.: "If Crow has a hero, it would be Karl Otto Pöhl at West Germany's central bank, the Bundesbank, who, against great criticism, is fighting inflation hard."

Unlike his predecessors—Graham Towers, James Coyne, Louis Rasminsky and Gerald Booy—Crow is not Canadian-born and educated. Before joining the Bank of Canada, he spent 13 years at the International Monetary Fund (IMF) in Washington. There, he dealt with many developing countries whose economic stability was at risk because of runaway inflation. During his tenure at the IMF, he often met with officials from the Bank of Canada in his capacity as head of the agency's North American division. Impressed by his powerful analytical abilities, they invited him to join the bank's research department in 1973, and he rose rapidly through the bank's hierarchy to become senior deputy governor 11 years later.

Success: Crow's rise in many is 10 years a year in Basel, Switzerland, with its counterparts from major industrial countries. Following a Federal Reserve Board initiative, he now makes public the minutes of the bank's eight yearly board of directors meetings. He has also established the most substantial public speaking agenda of any Canadian bank governor as an attempt to educate Canadians about his policies, delivering twice as many speeches per year as his predecessor, Gerald Booy. According to Cook-Sherman, who was involved in selecting Crow to succeed Booy, his French—which he studied at grammar school in Britain—was an asset, because the bank wanted a governor who could speak to all Canadians.

Crow can be sure and argument with oppo-

sents. A meeting with John Fryer, for one, president of the 257,000-member National Union of Theatrical Government Employees, became so heated that Fryer wanted to settle the matter outside the room. Crow collected later that it was "the one time I lost my temper in public."

Crow's toughness and determination may have been forged during a childhood that required a large degree of self-reliance. He was born in 1937, the only child of a junior in Bethel, Maine, an impoverished section of East London. He studied periods of separation from his family during the Second World War, when he was evacuated to Wales to escape the Blitz. He attended grammar schools where he was teased by teachers with his own intelligence and facility with languages. Determined to make the most of every situation, he learned Russian during his two-year compulsory military service in Britain, where he was part of the National Service's Signals unit, and became qualified as a translator. He then went to Oxford, earning his BA in philosophy and political economy in 1961. In addition to French and Russian, Crow also speaks Spanish, which he perfected during his years with the IMF.

Goal: According to former and current co-workers, Crow is a brilliant technical, economic analyst and tough as the ironclad. But he also thrives on the camaraderie of the bank, sometimes releasing soccer matches between departments vying for a gold-sprayed winning drive known as The Golden Boot. Bank insiders say that they appreciate his sense of humor.

Crow now presides over a workforce of 1,100 that supplies him with five minutes of daily data on international economic trends. After arranging the bank's a chauffeur-driven limousine at about 9:30 a.m., he begins his day with coffee and a few cookies—usually a different assortment every day, which, associates say, he likes to avoid eating. He often on the fourth floor is the original 1937, five-story grey granite, downtown Ottawa building is surrounded by gleaming office towers. Like Rasminsky and Booy before him, he consults widely and he is willing to entertain other views about the interpretation of

data and strategy. In return, Crow expects loyalty and collegiality in the tradition of the 55-year-old bank's tradition of respect for the atmosphere under Crow is one of good morale.

Outside the office, Crow spends most of his time with his family, as well as attending the Ottawa and McGill universities. A *Financial Post* economics writer he met in Washington and who now works as a freelance writer for the federal government. They live



Crow: a growing international reputation for predictability

two university-age children, Rebecca and Jonathan. Although those close to him say that he is more down-to-earth than the arts, he enjoys Rush and Led Zeppelin and no longer plays cricket, which he pursued avidly when he was

younger. He also lives modestly, enjoying the near 13,000-sq-ft house overlooking the Rideau Canal that he bought for \$64,000 when he first came to Ottawa in 1973. Many Canadians would also be comfortable with his taste for relaxation: indoor-aquatic vegetable garden, growing merriment and sailing on Indian Lake (called Chaumont) in a well-stocked New York Times recipe. And who knows what Crow has spent his vacation, he usually explains that he was busy with home repair projects, or perhaps a trip to England to see his family.

Caution: Despite the respect he garners from colleagues and the international banking community, his domestic position has been undermined recently as a result of political controversy over his salary. In March, opposition critics discovered that the bank's board of directors increased his pay by at least 25 per cent since 1987. He now earns a salary in a range of between \$182,000 and \$243,400, compared with Federal Reserve Board chairman Alan Greenspan, who makes \$112,000, up from \$103,000 in 1987. Bank sources also show that the average salary for its employees has increased by 17.66 per cent since 1985, compared with 12.98 for the average Canadian worker. Critics have pointed to the fact that Gerald Booy chose to take no increase at all for five years.

Crow's monetary policies have likely upset Finance Minister Michael Wilson's prescriptions for a \$34-billion budget deficit in 1990-1991, by making borrowing costs higher than the minister predicted. But insiders claim that the two men share similar economic, monetary and, in fact, personal beliefs. By all accounts, their private weekly meetings at the Finance Minister's office are cordial.

Said Crow, Wilson's and the government's letters are and together in the same uniform-fighting posture. For now, it is the governor who is leading the charge—and taking most of the heat. And unless he changes tack soon, he will assume a role in the lives of Canadians, as they struggle to survive the strange of skyrocketing interest rates.

ANN WALSHLEY



There goes thneighbourhood.

Surely this isn't the place to test the Sedan de Ville's powerful 180 hp V-8 engine. Or to prove that this luxury sedan leaps from 0-60 mph (96.5 km/h) in a remarkable 8.70 seconds. Or to emphasize that this Cadillac performs better than all other North American luxury sedans, including the Lincoln Continental and Town Car. Surprisingly even the Volvo 760*. You may, however, quietly appreciate the observation certain editors of Motor Trend made that the Sedan de Ville 'speaks softly of authority and power... luxury that has not been diminished materially by the demands of the wind tunnel'. After all, while we enjoy the concept of power and luxury, we must abide by the concept of being neighbourly.



SEDAN
DE VILLE



CADILLAC
STYLE

Every new Cadillac has a warranty for 3 years or 100,000 kilometers, which includes complete vehicle coverage, a superb No-Charge Bobcatman Program of the same duration, and Corrosion Protection for 8 years or 100,000 kilometers. See your Cadillac dealer for full details. Cadillac Allante has an extended 7 year or 100,000 kilometers warranty. *1991 vehicle acceleration and pricing data conducted by the United States Auto Club.

PEOPLE

Fit for a princess

Now it is official. After we published love of cars with more rapping than French racing car driver Alain Prost in French court Christian de Brocquès, *Princess Stephanie* of Monaco has announced her engagement. Having moonlighted as a fashion designer and a pop singer, the 30-year-old royal, whose 1986 record single, *Alors on danse*,



Stephanie: restless royal

said more than one million copies, says that she is ready to settle down and marry Jean-Yves Le Duc, 26, the manager of a Paris-based real estate agency. Stephanie's father, Prince Ranier, who has moved to move around of the French royal court's boyfriend, has given the couple his blessing. So far there has been no announcement of a wedding date—but a palace representative has declared that the princess is pregnant.

Horror in the courtroom

The prime suspects are a defense lawyer, a writer and a director who has crafted some of the most frightening horror movies ever made. Who did it? They all did. Eight years ago, Toronto criminal lawyer Edward Greenpan and writer

George Jones produced *The Scales of Justice*, a six-hour series based on real court cases. Last week, David Cronenberg began filming the pilot episode of a six-part TV adaptation of the award-winning *Scales*, slated to air in the fall of 1990. The director of such chilling thrillers as *The*

Greenpan: grisly



Greenpan: grisly

Gunslinging singer

Actor Clint Eastwood, 66, is back in the saddle—this time as a singer. The veteran of many movie westerns has recorded an upbeat country tune. Smokin' *du Mère* with the award-winning Nashville singer Randy Travis. It will appear on a new Travis album along with other duets with Roy Rogers and B. B. King. But fans will have to wait to determine whether Eastwood's singing is good, bad—or downright ugly. The album comes out in January 1991.



Eastwood: Smokin' du Mère

Eastwood: Smokin' du Mère

NOT JUST PILLOW TALK

After Rock Hudson died of an unrelated illness in 1985, his former lover Marc Christian's revelations shattered the star's macho image. Recently, Hollywood publicist Tom Clark, whose 17-year relationship with Hudson preceded Christian's, published a more sedate account in *Rock Hudson: Friend of Mine*. In it, Clark insists that Hudson entrusted him with a blood transfusion. He also reveals that Hudson longed to be a serious actor—but feared that "nobody would ever take a person named Rock seriously."

Live at last

Actress Loretta Lynn says that she also plays on every venue for the 1990s in a Toronto play opening this week. She stars in *Unidentified Human Remains and the True Nature of Love*—first by Edmonson, playwright Brad Fraser about sex, love and lust, which had a sold-out three-week run this year. Lynn, 55, who has played *Mae West* in *Hollis* and *Marlene Monroe* in *Edmonson*, says that her character is "single, strong, sexual, and free."



Lynn: playing 'dead blowers'

Fly has some grisly real-life material to work with—the plot is about John Herdeth, a 17-year-old accused of murdering his mother in 1975. Greenpan, 46, who will host the show, noted that criminal law can resemble a Cronenberg film. "True crime does sometimes represent rather unusual conduct by rather unusual people."

MAKING CHOICES.

Choices are a part of life. Sometimes, choosing is simply a matter of taste. That's when you choose Taster's Choice Colombian Coffee. Because it's one choice that's always right. TASTER'S CHOICE COLOMBIAN is made from 100% Colombian beans, picked at the peak of perfection, then expertly blended to give you the finest coffee taste.

TASTER'S CHOICE
COLOMBIAN COFFEE
FREEZE-DRIED
AND PREMIUM GROUND.



ALWAYS THE RIGHT CHOICE.

The cost of neglect

Assessing damage in Eastern Europe

A lake near a chemical plant in the town of Krasnoyarsk, 3,000 km east of Moscow, is so polluted that citizens use the lake's deposit of sludge for brushing their arctic winter. The Communist north league's daily newspaper, *Krasnoyarsk Pravda*, reported last fall. It added that the lake was so contaminated by chemicals that the carcasses floated within days. Meanwhile, severe air pollution affects Poland's Silesian coal-mining region, where factories often shove residents suffering from respiratory problems to desecrated 650 feet into a chasm in a salt mine in order to breathe the relatively clean air there. In some parts of Eastern Europe, highly polluted water and air are blamed for deformed babies, elevated child mortality rates and a wide variety of diseases among adults. Indeed, after decades of Communist rule, large areas of the Soviet Union and Eastern Europe have been reduced to ecological wastelands. Now, efforts are underway to correct the damage.

Following the recent political revolutions that ended one-party rule in six nations, environmentalists in the former Communist bloc capitals, and in Minsk, Gorbachev's Soviet Union, are pressing for tougher environmental controls. In Hungary and Czechoslovakia, they have been successful in preventing some badly polluted rivers from further degradation. Meanwhile, in East Germany, Czechoslovakia, Bulgaria and Romania, governments have begun to assess the ecological damage that has been done. At the same time, members of newly formed environmental organizations who are free for the first time to speak out, are demanding action to protect the environment.

During the past two years, Soviet environmentalists have been increasingly successful in blocking industrial projects that they claimed would cause pollution. In one case, plans for a petrochemical plant in Ukraine were scrapped last year after local protests erupted in a region that is still recovering from the widespread

contamination caused by the 1986 Chernobyl nuclear power plant explosion. Last week, on the fourth anniversary of the accident, a Soviet television show raised about \$15 million in cash, medicines and other goods for Chernobyl survivors. Guests on the Soviet television ev-



Chemical dump near Riga, Latvia: a nightmarish array of environmental problems lies ahead

cluded Canadian baller dancers Karen Kain and Frank Augustus. A resolution passed by the Soviet legislature called for more financial aid for areas contaminated by the accident and urged that food no longer be grown in the contaminated areas.

The environmental problems are largely a result of years of neglect. Under the former Communist regimes, economic planners ruled that factories must produce quotas regardless of the environmental dangers involved. Said Andriy Seidlik, a sociologist and founding member of Bulgaria's environmentally based Green Party: "There is an organic relationship between communism and environmental destruction." Declared Czechoslovakia's president, Václav Havel, shortly after his December election: "We

have lost waste as well as our heritage."

The main problem facing Eastern European countries is that they simply do not have the money needed for massive environmental cleanup programs. Said Dariusz Marciukiewicz, a spokesman for the Polish government's environmental ministry: "Right now, the environment has no priority, because there are so many other needs."

Still, the region lacks a nightmarish array of environmental problems. They include pollution of water in Poland's Vistula River that is so corrosive it cannot be used to cool machinery in factories. As well, the air in some parts of Eastern Europe is so badly loaded by poisonous gases and toxic dust that it has been blamed for widespread health problems. Government leaders in Eastern European capitals say that factories in the area are far more susceptible to

Moscow, the average life expectancy among men was only 64. Said Valeriyas Biondova, a Krasnoyarsk resident: "Our children are constantly ill. One of our boys was called up to the army, and he had no teeth. They had all fallen out. Some children cannot grow teeth. They appear and crumble. And there are numerous

ash Aroding of Slezcy reported last year that one-third of Poland's 30 million people live in "areas of ecological disaster." The world of those in the coal and steel-producing region of Silesia. A study of 1,000 Silesian workers showed shockingly high concentrations of lead, mercury, cadmium and other toxic metals

pollutants falling on Krakow from its New Huta steelworks have ended the city's historic architecture and have made the Vistula the main polluted river in Europe.

The belching smokestacks that appear on the banks of East Germany's Elbe-much less once a symbol of Communist pride. But they now account for the almost daily air pollution problems on both sides of the crumpled Berlin Wall. According to an East German environmental ministry report prepared in 1988, half the children living in industrialized areas of the country suffer from lung ailments or skin diseases. The report added that the life expectancy for adults in the heavily industrialized southern part of East Germany is five to 10 years shorter than in the rest of the country.

Czechoslovakia's pollution problems are severe, as well. In Bohemia, in the west, where many of the country's coal-fired power plants and chemical factories are located, doctors report alarmingly high levels of infant mortality. In the same area, medical authorities also report higher-than-average levels of lung disease and cancer. Local officials say that children

have to be sent away to the mountains for a month every summer to prevent permanent lung damage from industrial emissions. Now, the reform-minded governments of Eastern Europe are struggling to implement environmental reforms. In Czechoslovakia, one of Havel's first acts in office was to create an environmental ministry, which launched a sweeping assessment of the extent of environmental damage in the country. Meanwhile, in a major water battle, East Germany's current government has promised to reduce industrial chemical emissions by 30 per cent during the next three years.

Ultimately, Eastern Europe may only be able to afford an environmental cleanup if the West helps. And there have been signs that Western governments may be willing to provide aid. Last week, the Washington-based World Bank approved its first ecological credit to the region with a \$25-million loan to Poland. According to some environmentalists, it may take 30 years and an estimated \$72 billion to clean up the environment. So far, West Germany has agreed to finance 11 pilot programs costing \$245 million. Still, as one West German government official put it, that is like "a drop of water on a hot stone," given the huge effort that will be needed to make up for nearly half a century of environmental abuse.

MOLLEGER JENSEN with ANTHONY WILSON-SMITH in Moscow and correspondents' reports



Port of Minsk, Aral Sea: women who drink the polluted water gave birth to deformed babies

cases of cancer and skin disease."

A report prepared by West German officials recently also painted a shocking picture. It said that in more than 200 Soviet cities with a total of about 85 million inhabitants, air pollution was often 10 times higher than levels permitted by even under Soviet law. The Soviet Union has also undergone worse pollution problems.

Last year, the Soviet magazine *Navy Mir* (New World) reported that women living in Sever, central Asia who drank water from the polluted Aral Sea were giving birth to deformed babies, including infants who had no arms or who lacked skulls, limbs, or hearts. Meanwhile, the Aral Sea has lost two-thirds of its water as the result of a Soviet program to irrigate cotton-growing lands in the area. After Soviet engineers diverted two rivers, the sea's water level dropped by more than 40 km in some places, leaving ships stranded on the seabed.

During the ages of environmental degradation and its human consequences are clearly evident in the industrialized nations of Eastern Europe. In Warsaw, the Pol-

in the placenta of nearly all of the women. It also demonstrated that Krakow (population 725,000), a city on the edge of the region, had the highest infant mortality rate in Poland, 258 per 100,000 inhabitants, compared with the national average of 120 per 100,000 inhabitants. (The infant mortality rate in Canada in 1984 was 10.4 per 100,000 inhabitants.) The

Tire factory worker in Copos, Mexico, toasts



**CLASSIC CAST-IRON
TEAKETTLES & STEAMERS**
Exclusively to you from The Shopper's Gallery

*Shave Not Included

The Shopper's Gallery proudly presents this truly elegant selection of 19th century style, cast-iron teakettles and steamers, yours to treasure for a lifetime — as the gift to someone special in your life. The wide variety of colors and unique, stylish designs are certain to complement any decor.

Each teakettle and steamer has been crafted with care to ensure traditional values of quality and pride in every detail. They are excellent for a variety of cooking and household purposes.

TEAKETTLES — Standing approximately 12" in height, they are available in both two-quart, and three- and one-half quart sizes. These very handsome cast-iron kettles also make a natural hand warmer. Based on a 19th-century design, they too will last for generations.

The brass handle and porcelain coating ensure that you are receiving a superb product that is second to none!

STEAMERS — Standing approximately 9" in height and 12" in length, these unique porcelain coated steamers combine practicality with old-world charm. They are more than a wood stove hand warmer. They are multipurpose cooking utensils that boil, braise, steam, and fry with just as well as a conventional stove.

The teakettles and the steamers are available in your choice of colors: Black, White, Blue, Speckled, Black Speckled, Red Speckled, Grey Speckled, Country Blue, or Green Speckled.

FREE, 15-DAY TRIAL OFFER

The Shopper's Gallery guarantees your satisfaction with a free 15-day trial offer. If you are not completely satisfied with the elegance and value of these classic teakettles or steamers, simply return your purchase in original condition by insured mail within 15 days for a full refund.

The functional beauty of these traditional style appliances are available in three sizes. The two-quart teakettles are \$69.95, the three- and one-half quart teakettles are \$99.95, and the three-quart steamers are \$99.95. (Add \$9.95 for shipping and handling per teakettle or steamer.) Your advantage of this wonderful buying from The Shopper's Gallery and under your own teakettles and steamers today!

70 The Shopper's Gallery, Box 100, Station "K", Toronto, Ontario M5W 1A7
(15-DAY TRIAL OFFER)
See these and see the items indicated below. 2 qt. teakettle — \$69.95
3 qt. teakettle — \$99.95, steamer — \$99.95. (plus \$9.95 S & H)

Colors	Teakettles			Steamers
	2 Quart	3 1/2 Quart	3 Quarts	
Black White	_____	_____	_____	_____
Blue Speckled	_____	_____	_____	_____
Black Speckled	_____	_____	_____	_____
Red Speckled	_____	_____	_____	_____
Grey Speckled	_____	_____	_____	_____
Country Blue	_____	_____	_____	_____
Green Speckled	_____	_____	_____	_____

NEEDS NO PAYMENT

Exclusive design or money order payable to: The Shopper's Gallery
or Please charge reports card: ☐ VISA ☐ M.C. ☐ AMERICAN EXPRESS

CARD NUMBER

EXPIRY DATE

NAME

ADDRESS

CITY

STATE

ZIP

H₂O_h-Oh



Canada's most abundant natural resource may be Canada's biggest health concern.

When Maclean's examined our nation's water supplies, seven articles dived into the subject from seven different angles. One reported the results of an independent analysis of a glass of Toronto water. Another, the dilemma in British Columbia, where the province's largest industry is also its largest polluter.

Exclusively in Canada's Weekly Newsmagazine: a national resource with an abundance of precious information.

Maclean's

THE WELL-INFORMED CHOICE.



In praise of the masked marvels

BY TRENT FRAYNE

It is an obvious misnomer to call the people named Mark Messier, Bobby Orr, Bryan Trottier, Wayne Gretzky, Joe Beliveau and Mike Bossy, to cite just a dozen at random, have been elected over the years as most valuable players in the Stanley Cup playoffs. But it is an even less accurate misapprehension of history.

An icy thinking person knows the most valuable player in almost any hockey series is the poor, put-upon pariah in the padded cell, the lonely goaltender. Without him, all of the fancy stickhandlers and rocket launchers on the forward lines could set aside their autograph pens and go looking for work.

It was back in 1945 that the province of figuring a most valuable player was instituted. Maple Leaf Gardens, an old brick pile at the corner of Church and Carlton streets in downtown Toronto, presented the league with a challenge for the series, the Conn Smythe Trophy, honoring the finest forward coach, manager and principal owner of the local hockey team.

Each year since, hockey scribblers have been electing a winner, for his frequency leading up to the Conn Smythe trophy. Indeed, in the 25 years since the trophy's inception, pariahs have been permitted to carry over the hardware on at least eight occasions. When virtue triumphed, Bernie Parent won back-to-back election in the mid-1970s while his Philadelphia Flyers were leading people up. In other years, his honored selectors were Ron Hensell, Patrick Roy, Bill Smith, Ken Dryden, Glenn Hall and Roger Crozier.

Although the scribbles have overdone the agonies, their predicament is, as I say, understandable. If they awarded the trophy where it belongs, the masked marauder in the Colgate team's cap would get it every time. Accordingly, avoiding boredom and giving themselves something to write about, the scribbles look past the net-mender for a finer scribe.

In truth, though, it's the lonely guys wearing the headgear who matter in sports. Back a

The most valuable player in almost any hockey series is the poor, put-upon pariah in the padded cell, the lonely goaltender

week or so, just for illustration, there were 28 seconds remaining in a 4-4 tie between the Boston Bruins and the Montreal Canadiens when Stephane Richer, the Guy Lafleur of the 1990s, burst in on the Boston net carrying the game winner on his stick. But somehow goaltender Andy Moog got a glove up to almost a high kick headed for a narrow corner. He had said he was doing this: it's a remarkable moment when the gifted Richer misses such an opportunity.

Overtime soon followed and as it is obscure Boston defenseman, Gerry Galle, scored for a Bruins victory. Next day's headlines heralded Galle, a guy who had scored all of eight regular-season goals. Further down, captain Raymond Bourque's three assists were lavishly applauded. No mention anywhere of Moog's game-saving snafu (or of 29 other stops). See what I mean?

No question, goaltenders are the key performers, always were, always will be. There are inklings, however, that as a group they're not as inquisitive as they were in the days when Glenn Hall of the Chicago Blackhawks and Jacques Plante of the Montreal Canadiens, among others, were baffling medical scientists and opposing coaches in bare-

footed nudity, showing scores of scratches from flying pucks. One of their number, Boston's Gerry Cheevers, once remembered: "Playing goal is a very lonely and difficult task. Everybody says we're a different breed and I guess they're right."

Plenty, for instance, but what might be called psychomotoric ardor. Whenever he was close to the Tacoma barbershop, he felt his breathing was determined to desert him. The Canadians used to stay at the Royal York Hotel close to the barbershop and, on one trip, to placate the complaining Plante, coach the Blake installed his goaltender station at the Westbury Hotel near the arena. Did Jacques feel better next morning? "No," said Jacques. "I slept okay but I dreamed I was at the Royal York. I woke up played." However, Jacques was the Vezina Trophy not later in the Hall name, so Blake let him breathe anywhere he liked (including behind a mask).

Glenn Hall played before Jacques made the mask popular. One night, Glenn caught a rising bullet just before he nose that knocked him out. When he came to, a doctor was working on his bruised knicker with a needle and thread but without anesthesia. The surgery was that nerve endings around knicker cuts were already numbed. Soon there were 23 stitches and Hall tattered back onto the ice, his upper lip a tale of hamburger, his eyes beginning to blacken.

"Masks have eliminated all that stuff," Dave Dryden said the other morning. He's played goal for Chicago, Buffalo and Edmonton, and is now the goaltender coach for the Detroit Red Wings. But he says that, while masks ensure physical comfort, the mental pressures are unchanged, the awareness that a goal still means a goal.

Most modern sports have specialty coaches, but goaltending is a difficult craft to teach and few NHL teams have full-time goalie specialists. "The role is partly psychological," Dryden says.

"A former goaltender is someone who understands and can listen. He's always positive, always constructive. Most head coaches still handle goalies weirdly; they don't want to upset them. A goaltender coach helps head coaches, too, providing understanding of what the goalie's problems are."

Goaltenders often don't know why they're goaltenders. Ron Hensell's father and uncle and grandfather were NHL forwards, but he printed in a backstop. "As long as I can remember, I've wanted to be a goalie and I've worked very hard at it," he told me once. "But I don't ask me why."

Ron is one of seven NHL goalies with a Brandon, Man., background, a product of three seasons with the struggling Wheat Kings junior team in the Western Hockey League. Bill Ranford, the key to Edmonton's success against Winnipeg and Los Angeles, in Brampton, and so on. Ken Wreggert of the Flyers and Detroit's Gern Hruska. Also, the no-goals, or most likely to go first in the 1994 draft is June in Trevor Kidd of the current Wheat Kings. How come Brandon goalies are so good? "It's the loopy defense," said Brandon Sox sportsman Dan Deacon on the phone. "They develop fast."

Malaysia 1990

You'll be fascinated

Our year-long celebrations are specially for you in 1990

HUNDREDS OF CEREMONIES

THOUSANDS OF TUNES

MILLIONS OF WEAVES

Malaysia offers you all the fascination of the East. Charming people, rich traditions and a heritage of many famous cultures all at a meeting of our diverse beaches, cool hill resorts, splendid temples and cosmopolitan cities. It is a country that will fascinate you especially during Visat Malaysia 1990 where every month, there will be exciting events as we celebrate our festivals, culture, cuisine, handicrafts, art, sports and lots more. So come and join us and experience our warm hospitality that awaits you. Welcome to Malaysia 1990, our radiantly world of welcome. For further information including the Calendar of Events, contact your travel agent or the Malaysia Tourist Information Centre.

Please send me the Calendar of Events.

Name _____

Address _____

Please code _____



Malaysia Tourist Information Centre
 Malaysia Tourist Information Centre
 5100 Highway 100, Vancouver, BC
 Canada V6K 2K4 Tel: (604) 681-8899
 Fax: (604) 681-8896





BULOVA
Pioneering Tomorrow's Timepieces
For Over 100 Years

All Languages Ltd

"Helping People to Communicate"



TRANSLATORS - INTERPRETERS
SINCE 1971

60 Languages
French for the Quebec Market
All Subjects
Notarized Translations
Free Estimates
Fast Service
Competitive Rates

TEL. 361-0303 FAX 361-0706

SUITE 805, 69 YONGE STREET, TORONTO, ONT. M5E 1K3

AFGHANISTAN
ALBANIAN
ARABIC
ARMENIAN
BENGAZI
BURUNDIAN
CAMEROON
CHINESE
CROATIAN
CZECH
DANISH
DUTCH
ENGLISH
FINNISH
FRENCH
GERMAN
GREEK
GUJARATI
HINDI
HUNGARIAN
INDONESIAN
JAPANESE
KOREAN
LATVIAN
LITHUANIAN
LUXEMBOURG
MALAY
MALAYSIAN
MEXICAN
MONTENEGRO
NETHERLANDS
NORWEGIAN
POLISH
PORTUGUESE
ROMANIAN
RUSSIAN
SERBIAN
SLOVAK
SLOVENE
SPANISH
SWEDISH
SWISS
THAI
TURKISH
UKRAINIAN
URDU
VIETNAMESE
YUGOSLAVIAN

AFGHANISTAN
ALBANIAN
ARABIC
ARMENIAN
BENGAZI
BURUNDIAN
CAMEROON
CHINESE
CROATIAN
CZECH
DANISH
DUTCH
ENGLISH
FINNISH
FRENCH
GERMAN
GREEK
GUJARATI
HINDI
HUNGARIAN
INDONESIAN
JAPANESE
KOREAN
LATVIAN
LITHUANIAN
LUXEMBOURG
MALAY
MALAYSIAN
MEXICAN
MONTENEGRO
NETHERLANDS
NORWEGIAN
POLISH
PORTUGUESE
ROMANIAN
RUSSIAN
SERBIAN
SLOVAK
SLOVENE
SPANISH
SWEDISH
SWISS
THAI
TURKISH
UKRAINIAN
URDU
VIETNAMESE
YUGOSLAVIAN

BOOKS

Stormy weather

A romance broods on the Brontës' moors

CHANGING HEIDEN

By Jane Urquhart
McClelland and Stewart, \$24.95, 256 pages

A Victorian belletrist drops out of the sky near the village of Ravenshoe in Yorkshire, where she encounters the ghost of Emily Brontë. Meanwhile, an Emily Brontë scholar, Ann, does an unexpected love affair in Toronto and travels to Yorkshire to research her book on Brontë's *Wuthering Heights*. The plot of Jane Urquhart's second novel, *Changing Heiden*, cleverly brings these three women to the moors. But the book struggles under the weight of its intense and frequently overwrought romanticism. Like the novels of the three Brontë sisters, it is permeated with saturated landscapes, the tale between emotions and the forces of nature, and a kind of narcissistic idealism—all fertile ground for great passion. But, despite Urquhart's virtuosity with language, the book fails to stay with.

Archie McIlwren Riter, also known as Polly Smith, is a turn-of-the-century factory worker when she meets and runs off with belletrist Jeremy Jacobs, the "Student of the Skies." Jeremy is a moody man who prefers to dream of the polar landscape than face the reality of Archie's passion. Archie dies after her parachute fails to open during an aerial show. And, in her new state as a ghost, she meets Emily Brontë, who has been haunting the moors for half a century. The two spirits spend the rest of the book philosophizing about love, letters, letters and families. Urquhart's Emily is didactic, haughty and pragmatic about romance, arguing that "being in love is really being in a state of rage, it is furious, it is an extended tantrum." Yet that is precisely what happens in Urquhart's relentlessly romantic novel. Archie and Ann put themselves in threat to gloomy, wuthering seas, and up to wind.

Urquhart is a highly visual writer, showing the story with strong images of air, wind and stormy weather. But the book creeps under the steam of taking pencil observations and meteorological notes. Unlike Catherine and Heathcliff, whose emotions are palpable in *Wuthering Heights*, the characters in *Changing Heiden* are less compelling than the weather.

ELIZABETH WATKINS

Almost Perfect.

Perfect.



There are two sides to a perfect Moen faucet. The inside. And the outside. The inside features our exclusive washerless cartridge backed by a Lifetime Warranty against leaks and drips. The outside features beautiful styling that fits the way you live. Put them together and you can't buy a better faucet. So call toll-free 1-800-298-0888. And find out why Moen is the perfect faucet for you.

MOEN
The Perfect Faucet.™

Nobody delivers the scoop with more scope.

For timely news and vital information that goes well beyond Bay Street, there is no more valuable and comprehensive tool than Informant Online®.

What's more, nobody offers you as easy full text databases. With 24 across Canada alone, access to in-depth information on a regional basis is unparalleled. We include Canadian stock quotations and Canadian corporate information, as

well as several key trade publications. And with our gateway connection to U.S. sources and to Dow Jones News/Retrieval® through DataTimes, our online databases now total more than 100! There isn't another online information service in Canada that can give you that kind of scope.

For the full scoop, call 1-800-668-9215. Call before May 31 and receive a special introductory offer.



Southern Business Information and Communications Group Inc.

News beyond Bay Street.

Maclean's Newsmagazine, online since 1988.

HEALTH

Humanizing AIDS

Paul Wynne makes his struggle public

Paul Wynne's face is gaunt, his body emaciated. He trembles, and he sweats a cold when he walks. Still, despite his poor physical health, Wynne appears regularly on a San Francisco television program. Every Thursday, usually in the concluding section of a super-hour newscast on KGO-TV, Wynne discusses the disease that is slowly killing him—AIDS. Wynne, 48, who was diagnosed 2½ years ago as carrying the AIDS virus, told viewers during his first broadcast in January, "If you think you don't know anybody with AIDS, you do now." Since then, he has used his weekly program segment, which runs anywhere from one to 4½ minutes, to describe what it is like to have the disease. He has discussed the wrenching telephone conversations when he told his parents in rural Oregon about his diagnosis. He has described the loneliness that he has experienced, and told how he decides the day when he will no longer have the strength to pick himself up if he falls down.

A former full-time broadcaster, Wynne was an entertainment reporter at KGO until 1983, when the station did not renew his contract. Then, in 1987, he began to feel unusually tired. "I got myself tested and came out antibody positive," said Wynne, who still remembers the tense moments a medical technician uttered when he gave him the grim report. "You see this number here? Please read it. Is this your number? Please read the results. Do you know what it means?" At the time that he learned about his condition, Wynne was still unemployed and his savings had run out. Then, last spring, his health started to decline. He lost 35 lb. in six months and developed neuropathy, a loss of feeling in his legs.

Wynne, who is divorced and who refuses to discuss his sexual orientation, said that during the first phase of his physical deterioration, he struggled with the issue of how to make his remaining months useful. At first, he decided

to write a story about his illness for radio. "Maybe I picked radio," said Wynne, "so that I could stay hidden." But a friend persuaded him to try TV instead. Said David Simpson, the producer of Paul Wynne's Journal: "I was nervous about the show. I had this incredible responsibility to bring something to television



Wynne: a TV show provides something to live for

that had never been done before."

Wynne's show has been a major success, with an estimated 4.5 million viewers in the San Francisco Bay area. As well, he receives frequent invitations to appear on TV talk shows and he says that he has been approached with offers for book and movie rights to his life story. His TV diary, said Wynne, is "my legacy. It has substance, heart and heart. I am very proud of it." Clearly, while Wynne awaits the inevitable outcome of his disease, talking about dying has given him something to live for.

ANNA FRIDMANOW with ANNE GEORGE in Los Angeles

20

EVERY
20 SECONDS
SOMEONE
IN CANADA
NEEDS
BLOOD

Be a blood donor.
Make the time.
For someone, it may
mean a lifetime.

For Permanent
and Mobile Clinic
Locations
Call 974-9900.



The time has come for a new kind of full-size luxury.

The 1991 Chevrolet Caprice.

Prepare to be impressed. You're looking at the next generation of the best-selling full-size car of all time. Come closer. You'll



find it has more room than most luxury cars and more standard features than many higher-priced cars.

Take a walk around. Don't let the quiet beauty of the new aerodynamic shape fool you. Caprice is even longer than last year. And roomier than ever before. From its solid steel bumper to its 578 liters (20.4 cu. ft.) trunk, spacious enough for four golf bags and more. In fact, this is

the most spacious Caprice of all time.

Open the door...and prepare to be impressed. You can stretch out in the contemporary comfort of double cloth seats covered

with Scotchgard[®] Fabric Protector. Or sink deeply into the classic richness of leather in the seating areas. An option well worth the indulgence.

Take in all the luxury of this



quiet place. Here six adults can enjoy standards of luxury they won't find in many more expensive cars.

Open the hood. You'll see we've kept the power of a V8 engine. Lock in the structure and you'll see that a full frame and rear-wheel drive are the basis of Caprice's exceptionally

smooth ride. Look further still, and you'll see innovations like gas-charged shocks have been added to bring you the quietest, most comfortable Caprice of all time.

Along with even more contemporary safety features. Like the all-weather control and confidence of standard four-wheel anti-lock brakes. And a driver's-side supplemental inflatable restraint system.



Finally, to prove Caprice is built to last through time, we back it with the 3-year/50,000-kilometer GM TOTAL[™] Warranty, including taxes. For more information regarding the new 1991 Caprice, please call 1-800-465-3479. Better yet, drive it, and have one of the most rewarding times of your life.



CHEVROLET

THE WORLD'S MOST SUCCESSFUL CAR



HARNESS BUSINESS INFORMATION TECHNOLOGY WITH ONE LINE OF COMMUNICATION.



Amidst the soaring complexity of Integrated Office Systems, there are three basic components you need to simplify the confusion, take advantage of the advancements and utilize your existing equipment. These components are one key source... Bell's Telecommunications expertise.

Number One is Connectivity. The ability to connect computers, printers, telephones and other information systems so all work in harmony. Likely, the cabling you have for the phone system in your office gives you the base to do this. The fact that Bell has been at the forefront of commu-

nications technology for over a century, gives you the confidence it will be doing right.

Number Two is Office Services that provide shared applications, easily and efficiently like fax and voice messaging, document creation and distribution and facsimile, as well as other software based applications. Bell has the products. Bell has the know-how.

Number Three is Telecomm Information Management. It's a new package from Bell. Simply put, it helps you manage, control and measure your systems. All meant to increase effectiveness while reducing cost.

No one else offers this comprehensive product portfolio with the reputation, expertise and reliability that accompanies a Bell Canada name.

OFFICE INTEGRATION MADE EASY

Bell

Telecommunications
through Bell Canada.



Looks a great portrayal of prostitution, homosexuality, rape and drug abuse

FILMS

Hell's kitchen

A new movie captures a novel's stark vision

LAST EXIT TO BROOKLYN
Directed by Uli Edel

It took 25 years to bring his novel to the screen, and it is not hard to understand why. The 1964 publication of Hubert Selby Jr.'s best-seller, *Last Exit to Brooklyn*, tested the limits of liberal tolerance. The author's scorching prose, and his selfish vision of prostitution, homosexuality, rape, drug abuse and urban violence both excited and outraged the literary world. In Britain, the courts declared the book obscene in 1966, a verdict that was overturned by a landmark appeal ruling the following year. Since then, cinema strivings to film sections of the novel have floundered. Selby's narrative, a series of six stories with some overlapping characters, seemed to defy adaptation. But a trio of West German film-makers, working with an American cast, took on the challenge. The result is a work of scorching intensity, a movie that captures the stark vision of the novel—and delivers it as a graphic vision.

The project dates back to the late 1960s, when three graduates of the Munich Film and Television Academy first discussed making a movie of *Last Exit*. Director Uli Edel, producer

Bernd Eichinger and co-producer Herman Wogen went on to make Christiane F. (1981) instead. That tale of a 13-year-old drug-addicted prostitute became the most popular German film of the past 40 years. When the three men finally connected Selby about *Last Exit* in 1986, the author expressed skepticism at first: "You keep getting these calls from all over and, lo and behold, nothing happens." The author, now 63 and living in Los Angeles, told *MovieWeek* last week that Selby had been intensely involved with the production. As for the finished product, he said, "I think it's terrific."

The movie weaves Selby's disparate stories into a single narrative. It takes place in the mid-1950s and mid-1960s in a waterfront neighborhood in Brooklyn. The year is 1952. Officially, the American dream is gearing up for a decade of middle-class prosperity, with the early flickers of television and the comfort colors of the Cold War. *Last Exit* presents a flip side of that dream, a novel world of redefined brutality and sexual despair.

Its characters include pimps, prostitutes and transvestites, as well as an unwed mother, striking factory workers, labor barons and soldiers waiting to fight in Korea. There is a paucity of subplots, but the movie concen-

trates on two characters from Selby's narrative: Harry (Stephen Lang), a union shop steward who is seduced by the homosexual subculture, and Trula (Jennifer Jason Leigh), a prostitute who is embroiled by a fleeting glimpse of a better world.

Harry is bored with family life and repelled by his wife's advances. In his position as union steward, he has developed an inflated sense of his own experience and a desire to walk on the wild side. He uses union money to buy beer for the local hoodlums. And, meeting an effeminate homosexual named George (Alonso Argente) in an all-night diner, he follows him to a party filled with gin, marijuana, cocaine and booze.

Meanwhile, Trula deserts her pimp and breaks into the Manhattan night, where she picks up a soldier naive enough to trust her like the get-out door. But, after he leaves for Korea, she winds up back in the grimy streets of Brooklyn, miserable and alone. Lang makes a far more glamorous Trula than the wretched character in Selby's novel. And she suffers a slightly less brutal fate.

But, like the book, the movie displays an Old Testament sense of catastrophe, especially when its scale shifts from the individual to the mob. *Last Exit* features one of the most gripping scenes of industrial violence ever filmed, a late-night confrontation between police and strikers trying to stop trucks at a picket line. There is also a graphic scene of gang rape, which serves as a horrifying conclusion to the sexual violence that permeates the movie.

Several scenes merge in *Last Exit*: the young toughs with their greased ducktails and curled lips pose as ardently, in their own way, as the transvestites. Selby's direction is more calculated than compartmentalized, winnowing scenes. But he does achieve performance from his actors. And his stylized milieu is effective in conjuring up the dark atmosphere of the novel. American cinematographer Stefan Casspi, who shot the haunting 1988 murder documentary *The Thin Blue Line*, creates an extraordinary look for *Last Exit*. Although it is filmed in color, the tones are muted, and the images have the severe glow of black and white. Lacking the intricate grain of so many period movies, *Last Exit* was filmed in a Brooklyn neighborhood that was made to look exceptionally decrepit. Its scenes moved back to Mark Kessler of Dave Straits' highly apocalyptic mood with dark lights behind *Wall Street* and Richard Wagner.

For all its darkness, the movie offers a sense of redemption absent from the book. As Selby said, "When you're locked in a theater for 90 minutes, there's got to be some relief." On screen, as on the page, *Last Exit* transcends the era that created it. Prophetically, the novel identified trends that have since moved from the margin to the mainstream: urban violence, drug abuse and gender chaos. But Selby insists that *Last Exit* was ahead of its time. "Those sad old neighborhoods have existed since the beginning of time—there was one writing outside the Garden of Eden."

BRIAN D. JOHNSON

Palette of dreams

Montreal showcases Dali's strange genius

Salvador Dali was the most outlandish of the Surrealists, an artist whose life was as bizarre as his nightmarish paintings. His long watches, moustache-labbers and mutating forms reflected a genius for putting his subconscious onto the canvas. And long before he died last year at 84, he was known as much for his wit as for his art. Now, the Montreal Museum of Fine Arts has mounted the first major North American retrospective of Dali's work in 25 years. The show, which opened last week and runs until July 20, brings together 135 pieces, including major paintings, sketches and drawings, exotic jewelry and rarely seen sculpture. It also marks the first public appearance of *The Rip*, Dali's depiction of a floating symbol that Alfred Hitchcock commissioned for his 1945 film *Spyglass*. The exhibition, which cost \$1.2 million to organize, captures the unimpeachable Dali style, the dazzling combination of decency and dreamy character that astonished critics when he first gained prominence in the 1930s.

The show goes a long way towards restoring the reputation of the artist, tarnished by scandal involving usurious business managers and fake prints that have flooded the world market. And, in response to the retrospective has been enthusiastic. Said Montreal broadcaster and art critic Bloray Labrecque, "In many of the previous shows—the Picasso or the Leonardo da Vinci—there was nothing of significance. But this show has great things to say. It is a change in the right direction." And, commenting on the show's broad appeal, he added, "Dali is for people who hate modern art but who can look at these paintings and say, 'This is art.'"

Regardless of their quality, the backhouser exhibitions of the 1980s give the museum valuable experience. Said director Pierre Thibierge, "Had we not put together the Picasso, Joan Miró and Leonardo shows, we could never have convinced other museums to share with us some of our many major Dali works. It would have just been impossible." Museums usually require two or three years to plan a major retrospective. But, by



Dali's portrait of his wife, Gala, dressed with metamorphosis

borrowing from sources that had furnished works for three European shows last year, Thibierge assembled a comprehensive selection in only three months. Said Thibierge, "I think we must have set a speed record."

Dali was arguably the most public artist of the 20th century. Born in Figueras, Spain, in 1904, he traveled to Paris in 1928, beginning his association with Surrealist writers and artists including Paul Eluard, André Breton, Max Ernst and Max Ray. During the 1930s, he began to cultivate his image as the archetypal mad genius. His passion for self-promotion alienated his Surrealist colleagues, however, because they disliked what he regarded as the commercialization of art.

Dali's nightmarish



Portrait of Dali by Dali

Most experts agree that Dali did his best work

before 1939. And the Montreal show includes several of these masterpieces, including *Portrait of Dalí* (1924), *The Architectural Enigma of Melancholy* (1925) and *Sawyer Reflecting Elphanto* (1937). In *Sawyer*, three of the birds are mirrored in the still waters of a small lake. But their reflection is that of elephants, these long necks transformed into trunks. The images sit as precursors as they are arresting, and are representative of what Dali described in his attempt to "synthesize confusion and fanciful reality."

Several works depict Dali's wife of 45 years, Gala, who had been married to the poet Eluard. One of them, *My Wife, Gala, Contemplating Her Own Flesh Becoming Stars*, *Three Versions of a Cohort*, *Sky and Architecture* (1943) is a superb example of Dali's concern with metamorphosis, where the image is duplicated and reduplicated. This was shared with Russian-born Gala, who ruled him with an iron fist. But Gala is credited with having saved him from madness. Robert Descharnes, the Paris photographer who met Dali in 1956 and later served as his secretary and closest admirer in the 1960s, told *Maclean's*: "She exercised a practical influence on his life that kept him from plunging the walls with sandwiches or sleeping naked on the roof."

A display of photographs by Descharnes and others, placed at the beginning of the exhibition, looks Dali's formidable public image with his artistic outpouring. Dali often arranged to have himself photographed in outrageous poses. One study by Philippe Bélanet, *Dali At Home* (1948), depicts the artist suspended in the air while a cat lies backless, propelled by a number of wires.

The Montreal retrospective is both comprehensive and concise. The show can be seen in as little as two hours, allowing viewers to contemplate, in a way that larger shows tend to displease, key works from different stages in the artist's career. Still, there are some notable absences: Dali's masterpieces *The Persistence of Memory* (1931), in which dripping watches loom against an air and landscape, and *Sleep* (1937), which depicts a decaying human head spread out like a sheet over a barren plain. According to Thibierge, they are considered too important ever to be allowed to travel again. "So many of Dali's greatest masterpieces simply cannot be strayed from their respective museums," he said. Still, with *Salvador Dali* the Montreal Museum of Fine Arts has mounted its most compelling show of the past decade.

RANDOLPH NORTON

STILL ROARING IN THE NINETIES.



The roadster on the right was built at a time when driving was a romp. A high spirited pastime. And while technology may have changed it, our newer car the same playful principles apply.

Today, the 325 is powered by a 6 cylinder, 168 HP engine. An engine that roars with approval at the open road.

It's supported by a finely calibrated steering system. A system that delights in tackling the most challenging of turns.

And the 325 lets you feel both road and sky. With a fully independent, race-proven suspension system. And a new electronically

controlled soft top. Last of all, the entire body has been reinforced for greater structural rigidity.

And with a rollover bar in the windshield and A-pillars, it's a perfect combination of fortitude and fun.

In fact, one test drive should convince you that 1990 has yet yet another standard in open air motoring.

And over time, you will realize that the future is exactly what it used to be.



THE ULTIMATE DRIVING EXPERIENCE.



The apocalypse is receding too fast

BY ALLAN FOTHERINGHAM

WE are in perilous times, as is obvious to any person who reads a newspaper or watches television. Thousands, say millions, of otherwise successful folk are in danger of losing their jobs. High executives are going to have their swimming pools axed. An entire way of life is under peril. Because of the way the world is so swiftly changing, economies are in peril and the entire way of life in this continent, at least, is in doubt. Life will never be the same ever again.

The problem is that people are breaking out. This not only confounds those who credit a living predicting that the apocalypse is approaching quickly, it has driven into complete dismay those who make a good buck out of its approach. American Defense Secretary Dick Cheney, for one troubling example, is chopping the budget of just one place—the Strategic bomber—in \$71 billion from \$87 billion. A few more moves like that and the entire world economy, which as we know is based on war, is going to be in serious trouble.

Wherever you look, there are problems. Because Gorbachev has denied that his country cannot afford both guns and butter, he has discredited the entire thrust of the Western economy. What's going to happen to American property if they attack Berlin too early, with the President's budget of \$344 billion? There are serious implications before us.

We have armies all around us. One of the interesting things is to chap wandering around Africa, is to find that you can't penetrate the borders of the poorest countries on the continent. Such awful places as Ethiopia and the Sudan. Why? Because they're so badly involved in insupportable internal wars. Where do such impoverished places get the arms to continue and cut wars for years? Naturally—Israel, West Germany, Britain, the United States, the Soviet Union and all those other lively guys who goose their economies by shipping their modern killing weapons to the Third World.

Example? The other week, the Canadians believe General Gorbachev was dispatched efficiently on the steps of his Reichs-



born by a hit man—two neat bullet holes in the back of his neck. Why was General Bull, who used to work for the Canadian government living in Brasilia? Easy. There wasn't a big enough killing industry in Canada. A brilliant man who sold his soul in arms to South Africa and wherever else wanted to buy it, he was behind the planned 40-kg gun barrel for Iraq that was going to kill millions and nuclear weapons are local and any other foe.

There is never any employment problem for brilliant designers of weapons of death like Bull, such is the world demand for them. These men need delivery for as those old generals at the Pentagon, already weighed down with all those medals that make them appear topknoted as parade, who face a dismal future contemplating arms reductions.

Hail the U.S. senators from the Deep South: own their jobs to the military boys they have maneuvered into their districts. Does no one

blame them? Seattle is safe, since it makes Boeing passenger jets. But shed a tear for southern California and St. Louis, where most of the aerospace industries are located. Peace is a terrible burden.

The brave speaks in the CIA are currently under furious attack—because for years they've been telling the White House that the Soviet economy was at least half as large as that of the U.S. and that some 15 per cent of the Khrushchev budget was directed to arms. The terrible truth, as emerging, is that Gorbachev knew more than the CIA: the evil empire's economy is barely one-third of the U.S. and it has been spending a lopsided 20 per cent of its budget on defense. The cat has gnawed. We could have started destroying the economy of southern California and St. Louis years ago.

As much as you feel sorry for the Pentagon generals, we must shed a tear for the editorial writers. What are they going to write about once raving about the Cold War and the dreadful communist draws yawns and burps? There is going to have to be a lot of readjustment as our thinking, I tell you.

Cast a sympathetic thought to another major crisis in unemployment circles. That would be Gaius Galich in Washington, which is the corridor outside the Congress chamber where the major lobbyists for the arms contractors look to lean on the ear of their favorite politicians. There are no registered lobbyists in Washington for every elected politician. What is to become of those poor wretches in their double-breasted thermal Spax? A thought.

The chap now threatening to take Maggie Thatcher's job, Tassan-Bornet Michael Heseltine, rightly resigned from her cabinet as a dispute over a government helicopter contract.

Dear old Joe Scarborough, an occupant of the White House for the last two terms of the 1960s, was denuded of that benign age as "the bland leading the bland." As the American military hero of the war, he therefore rather amazed most everyone in his final speech when he left office in 1961, warning that "a military-industrial complex" was a threat to the future well-being of the United States, meaning that the country had a fixed self-interest in conflict and the Cold War, since it made millions out of it.

He's reputation has been slowly rehabilitated because of that present warning and Gorbachev has now proven it correct. The Cold Warriors are weeping into their medals, and it's dreadful. So money now might actually have to go into education and the environment and those other dull things.

SIMPLE QUESTIONS. SOLID ADVICE.

Q
What can I do today to protect tomorrow?

A
One of the best ways to prepare for the future is to evaluate what changes have happened in your life. That's what our Family Insurance Checkup is really all about. Your State Farm Agent can learn what changes have taken place in your life, and advise you on ways to update your coverage to better suit your family's growing needs. And your State Farm Agent will review all your policies with you—auto, home, life, and business.

Our Family Insurance Checkup is a good habit to get into: it allows you to feel confident about your insurance and the protection it's providing. Because you never know what tomorrow will bring.

Like a good neighbour,
State Farm is there.

State Farm Agent,
Barbara Gragh

Auto, Home, Business, Life Insurance
Credit Life Insurance, Accident Insurance

A adaptable communications can give you a vital jump on the competition. That's the power of networking. When the competitive edge can depend on how skillfully you overcome hurdles, it's vital to have communications under perfect control. With Northern Telecom's quality networking solutions, you can ensure superior business efficiency and customer-service even under the pressure of changing circumstances. The Norstar system, for example, lets you add features or sets as needed, tailoring communications to specific needs. Adaptability that puts you ahead. Find out how to get the power of networking working for you. Call 1-800-NORTHERN.



T H E P O W E R O F N E T W O R K I N G

